

BEFORE THE
INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE
TO THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE
ORGANIZED PURSUANT TO THE
CALIFORNIA STEM CELL RESEARCH AND CURES ACT
REGULAR MEETING

LOCATION: LUXE HOTEL SUNSET BOULEVARD
11461 SUNSET BOULEVARD
LOS ANGELES, CALIFORNIA

DATE: MONDAY, JUNE 4, 2007
5 P.M.

REPORTER: BETH C. DRAIN, CSR
CSR. NO. 7152

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I N D E X

| ITEM | DESCRIPTION | PAGE NO. |
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| CALL TO ORDER | | 3 |
| ROLL CALL | | 4 |
| CHAIRMAN'S REPORT | | 5 |
| ACTING PRESIDENT'S REPORT | | 9 |
| CHIEF SCIENTIFIC OFFICER'S REPORT | | 10 |
| CONSIDERATION OF RECOMMENDATIONS FROM GRANTS WORKING GROUP AND FACILITIES WORKING GROUP ON SHARED LABORATORIES AND TECHNIQUES COURSE GRANT APPLICATIONS | | 23 |
| CLOSED SESSION | | 62 |

1 LOS ANGELES, CALIFORNIA; MONDAY, JUNE 4, 2007

2 05:17 PM

3

4 CHAIRMAN KLEIN: OKAY. WE NEED TO BEGIN OUR
5 AGENDA. WE HAVE INDIVIDUALS LIKE DR. PENHOET, WHOSE
6 PLANE WAS CANCELED, AND OTHER KIND OF EXOTIC OBSTACLES,
7 NEVER MIND THE FACT THAT THESE OBSTACLES ARE
8 UNANNOUNCED. DR. PENHOET WILL BE WITH US IN A COUPLE
9 OF HOURS.

10 SO WE HAVE A NUMBER OF BOARD MEMBERS MAKING
11 THEIR WAY HERE, BUT TODAY WE'RE DOING A PRELIMINARY
12 REVIEW OF INFORMATION THAT WE'LL BUILD UPON TO GET TO A
13 VOTE HOPEFULLY FIRST THING TOMORROW MORNING ON THE
14 SHARED LABS. AND WITH THE PROCESS WE DO TODAY IN
15 BUILDING INFORMATION, PART OF THAT INFORMATION WE MAY
16 REVIEW AGAIN TOMORROW MORNING BEFORE OUR FINAL VOTE.
17 BUT TO TOMORROW MORNING WE WILL RATIFY EVERYTHING THAT
18 WE'RE DOING TODAY WHEN WE GO THROUGH WITH MOTIONS FOR
19 FINAL APPROVAL.

20 IT IS, THEREFORE, IMPORTANT THAT WE BEGIN
21 THIS PROCESS TODAY OF EDUCATING OURSELVES AND PROVIDING
22 THE INFORMATION THAT CAN BE OF BENEFIT TO EVERYONE AT
23 THE TIME THAT WE TAKE THE FINAL VOTE. AND THE PUBLIC'S
24 INPUT, OF COURSE, WILL BE TAKEN INTO ACCOUNT FOR THE
25 PRELIMINARY DISCUSSIONS TODAY WHEN WE HAVE PRELIMINARY

1 VOTES AS WELL AS TOMORROW WHEN WE HAVE OUR FINAL VOTES
2 AND THE RATIFICATION OF THE PRIOR ACTIONS.

3 BUT, MELISSA, WOULD YOU PLEASE LEAD US IN THE
4 PLEDGE OF ALLEGIANCE FOLLOWED BY THE ROLL CALL.

5 (THE PLEDGE OF ALLEGIANCE.)

6 MS. KING: RICARDO AZZIZ. DAVID BALTIMORE.
7 DR. BALTIMORE: HERE.

8 MS. KING: ROBERT PRICE FOR ROBERT BIRGENEAU.
9 DR. PRICE: HERE.

10 MS. KING: DAVID BRENNER.
11 DR. BRENNER: HERE.

12 MS. KING: SUE DUCKLES FOR SUSAN BRYANT.
13 MARCY FEIT. MICHAEL FRIEDMAN. MICHAEL GOLDBERG.
14 BRIAN HENDERSON.

15 DR. HENDERSON: HERE.

16 MS. KING: DAVID KESSLER. BOB KLEIN.
17 CHAIRMAN KLEIN: HERE.

18 MS. KING: SHERRY LANSING.
19 MS. LANSING: HERE.

20 MS. KING: LEONARD ROME FOR GERALD LEVEY.
21 DR. ROME: HERE.

22 MS. KING: TED LOVE. RICHARD MURPHY. TINA
23 NOVA. ED PENHOET. PHIL PIZZO. CLAIRE POMEROY.
24 DR. POMEROY: HERE.

25 MS. KING: FRANCISCO PRIETO. JEANNIE FONTANA

1 FOR JOHN REED. DUANE ROTH.
2 MR. ROTH: HERE.
3 MS. KING: JOAN SAMUELSON. DAVID
4 SERRANO-SEWELL. JEFF SHEEHY.
5 MR. SHEEHY: HERE.
6 MS. KING: JONATHAN SHESTACK.
7 MR. SHESTACK: HERE.
8 MS. KING: OSWALD STEWARD. JANET WRIGHT.
9 DR. WRIGHT: HERE.
10 CHAIRMAN KLEIN: THANK YOU VERY MUCH. WE
11 WILL OPEN TOMORROW WITH ADOPTION OF THE CONSENT
12 CALENDAR WHICH WE WILL NOT ADDRESS TODAY.
13 I WOULD LIKE TO BRING TO EVERYONE'S ATTENTION
14 THAT TOMORROW WE WILL HAVE A PRESS CONFERENCE TO
15 RECOGNIZE THE AWARDS OF SHARED LABS AS WELL AS
16 TECHNIQUES COURSES AT THAT TIME. MAYOR VILLARAIGOSA IS
17 TRYING TO ATTEND, AND THE CONTROLLER JOHN CHIANG WILL
18 BE ATTENDING THAT SESSION. WHILE ALL MEMBERS OF THE
19 BOARD ARE INVITED TO THAT PRESS CONFERENCE, IN ORDER TO
20 ALLOW THE TIME FOR LUNCH, THE BOARD MEMBERS CAN CHOOSE
21 WHETHER TO ATTEND THE PRESS CONFERENCE AND HAVE A VERY
22 SHORT LUNCH OR WHETHER TO HAVE A LONGER LUNCH AND NOT
23 ATTEND THE PRESS CONFERENCE.
24 DR. BALTIMORE: WHAT TIME IS THE PRESS
25 CONFERENCE?

1 CHAIRMAN KLEIN: THE PRESS CONFERENCE WILL BE
2 AT APPROXIMATELY 12 O'CLOCK.

3 DR. HENDERSON: WE NEED A MOTION ON THAT?

4 CHAIRMAN KLEIN: I THINK WE'LL SAVE TIME AND
5 JUST MOVE FORWARD.

6 AND, DR. DUCKLES, WELCOME.

7 DR. DUCKLES: THANK YOU VERY MUCH.

8 CHAIRMAN KLEIN: I'D LIKE TO REVIEW FOR THE
9 BENEFIT OF THE BOARD MEMBERS AND THE PUBLIC THE
10 CONFLICT OF INTEREST FIREWALLS AND PROVISIONS WE HAVE.

11 FIRST OF ALL, THE CIRM STAFF AND BOARD
12 MEMBERS HAVE GONE THROUGH AN EXTENSIVE PROCESS TO CHECK
13 FOR CONFLICTS OF INTEREST AND ENSURE THE BOARD MEMBERS
14 WHO HAVE A CONFLICT IN A PARTICULAR APPLICATION WILL
15 NOT PARTICIPATE IN THE DISCUSSION OR VOTE ON THAT
16 APPLICATION. AS WE START THE GRANT REVIEW, TAMAR
17 PACHTER WILL SUMMARIZE SOME OF THE HIGH POINTS IN THAT.
18 BUT I WILL REMIND THE BOARD THAT WE WILL BE
19 DISTINGUISHING BETWEEN ABSTENTIONS WHERE YOU'RE NOT
20 REQUIRED TO RECUSE YOURSELF FROM ACTUAL RECUSALS WHERE
21 YOU HAVE AN IDENTIFIED CONFLICT. IT IS MEANINGFUL TO
22 US IN THAT IT CHANGES THE QUORUM REQUIREMENTS WHEN YOU
23 ABSTAIN AS VERSUS WHEN YOU ARE RECUSED.

24 THE STAFF HAS PROVIDED EACH BOARD MEMBER WITH
25 A LIST OF INSTITUTIONS THAT HAVE SUBMITTED APPLICATIONS

1 OR EMPLOY A COLLABORATOR ON AN APPLICATION. EACH BOARD
2 MEMBER HAS REVIEWED THE LIST AND CERTIFIED THOSE
3 INSTITUTIONS IN WHICH THE MEMBER HAS A CONFLICT. IN
4 ADDITION, STAFF HAS REVIEWED THE STATEMENTS OF ECONOMIC
5 INTEREST, FORM 700, OF EACH BOARD MEMBER TO IDENTIFY
6 ANY ADDITIONAL CONFLICTS.

7 BASED ON THIS INFORMATION, STAFF HAS PROVIDED
8 EACH BOARD MEMBER WITH A LIST OF APPLICATIONS BY
9 APPLICATION NUMBER IN WHICH THE BOARD MEMBER HAS A
10 DISQUALIFYING CONFLICT OF INTEREST. BOARD MEMBERS HAVE
11 BEEN DIRECTED NOT TO PARTICIPATE IN THE DISCUSSION OR
12 VOTE ON THESE APPLICATIONS. ONCE A SPECIFIC
13 APPLICATION OR APPLICATIONS ARE IDENTIFIED FOR
14 DISCUSSION, STAFF WILL ANNOUNCE WHICH BOARD MEMBERS ARE
15 DISQUALIFIED OR ABSTAINING FROM THAT PARTICULAR VOTE.

16 THERE WILL BE -- THE STAFF WILL PREPARE A
17 MASTER LIST OF THE APPLICATIONS BY APPLICATION NUMBER
18 AS TO BOARD CONFLICTS, AND A LIST WILL BE PROVIDED TO
19 THE PUBLIC, ALONG WITH UPDATES THAT OCCUR DURING THE
20 PROCESS, WHERE THE BOARD MEMBERS MAY IDENTIFY DURING
21 THE PROCESS SOME UNANTICIPATED CONFLICT OR AN
22 ABSTENTION OUT OF A SENSE OF CAUTION.

23 FOR THE GRANT REVIEW PROCESS, ALL MEMBER
24 CONFLICTS WILL BE ANNOUNCED WHEN EACH GRANT IS
25 INTRODUCED FOR INDIVIDUAL DEBATE, ENSURING THE HIGHEST

1 STANDARD OF TRANSPARENCY.

2 I WOULD REMIND THE BOARD MEMBERS, INCLUDING
3 DR. ROME AND DR. DUCKLES AND DR. BRENNER, WHO MAY NOT
4 HAVE PREVIOUSLY BEEN IN, I THINK, GRANT SESSIONS, THAT
5 WHEN WE'RE VOTING ON A GROUP OF GRANTS, THE METHOD OF
6 VOTING, TO MAKE CERTAIN WE DON'T HAVE A CONFLICT, IS TO
7 STATE THAT YOU'RE VOTING IN FAVOR OR AGAINST AS
8 APPROPRIATE EXCEPT FOR THOSE APPLICATIONS FOR WHICH YOU
9 HAVE RECUSED YOURSELF OR WHICH YOU HAVE ABSTAINED. SO
10 I WANT TO MAKE CERTAIN AS WELL THAT IF YOU'RE
11 ABSTAINING OR IF YOU ARE RECUSING YOURSELF AND THERE IS
12 AN APPLICATION IN A GROUP, IT IS NOT APPROPRIATE TO
13 MAKE THE MOTION OR THE SECOND ON THE MOTION AS TO THAT
14 GROUP.

15 WITH THAT REVIEW, TAMAR, I WILL, AFTER
16 HEARING A REPORT FROM OUR ACTING PRESIDENT AND CHIEF
17 SCIENTIFIC OFFICER, CALL ON YOU BEFORE WE START THE
18 GRANTS PROCESS TO SEE IF THERE'S ANY OTHER HIGHLIGHTS
19 YOU WANT TO DRAW TO THE BOARD'S ATTENTION.

20 I WOULD REMIND THE PUBLIC AND THE BOARD THAT
21 YOUR DEDICATION HAS BEEN GREATLY REWARDED SINCE WE ARE
22 THE LARGEST GRANT-MAKING ENTITY NOW GLOBALLY FOR
23 EMBRYONIC STEM CELL RESEARCH. AND AFTER THIS SESSION
24 TODAY AND TOMORROW, WE SHOULD BE SOMEWHERE IN THE RANGE
25 OF 210 TO \$215 MILLION, A VERY REMARKABLE CONTRIBUTION

1 TO ADVANCING STEM CELL RESEARCH, PARTICULARLY EMBRYONIC
2 STEM CELL RESEARCH, IN THIS COUNTRY AND GLOBALLY. SO,
3 BOARD MEMBERS, I THANK YOU FOR YOUR DEDICATION.

4 LORI HOFFMAN, THE PRESIDENT'S REPORT.

5 MS. HOFFMAN: THANK YOU. I'M GOING TO BE
6 VERY BRIEF AS YOU HAVE A LOT TO DO IN THE NEXT DAY AND
7 A HALF.

8 FIRST, I WANT TO UPDATE YOU ON THE FACILITIES
9 WORKING GROUP. THE FACILITIES WORKING GROUP PUBLIC
10 MEETINGS ARE PROVING ACTUALLY TO BE VERY HELPFUL
11 INSOFAR AS THE MEETINGS HAVE OFFERED AN OPPORTUNITY FOR
12 THE WORKING GROUP MEMBERS TO LEARN ABOUT INSTITUTIONAL
13 AND UNIVERSITY BUILDING PROGRAMS. THEY ARE HEARING
14 FIRSTHAND THE VIEWPOINTS OF SCIENTISTS RELATED TO
15 BUILDING FOR MEDICAL SCIENCE. AND THE WORKING GROUP
16 MEMBERS ARE ASKING IMPORTANT QUESTIONS REGARDING THE
17 NEED FOR SPACE AS WELL AS DIRECTION ON POLICIES AND
18 DEFINITIONS FOR SCORING PURPOSES.

19 THE WORKING GROUP HAS COMPLETED THE FIRST TWO
20 OF THEIR FOUR PUBLIC MEETINGS. WE HAVE A FIFTH MEETING
21 SCHEDULED FOR JULY 12TH FOR ANY ADDITIONAL PUBLIC
22 COMMENTS AND A FINAL REVIEW OF THE CRITERIA AND
23 PROCEDURES FOR THE NEXT RFA, WHICH WILL BE PRESENTED TO
24 THE ICOC AT YOUR AUGUST MEETING.

25 I WOULD LIKE TO TAKE THIS OPPORTUNITY TO

1 THANK RICK KELLER FOR HIS EFFORTS OVER THE LAST SEVERAL
2 MONTHS ON THIS IMPORTANT ENDEAVOR.

3 I WOULD ALSO LIKE TO INTRODUCE LYNN HARWELL,
4 WHO JOINED CIRM TWO WEEKS AGO. SHE IS THE SENIOR AIDE
5 TO THE CHAIR. LYNN IS A CPA WITH A JD MBA FROM
6 HARVARD, AND SHE COMES TO US MOST RECENTLY FROM A
7 BUSINESS POSITION AT WARNER BROTHERS. LYNN, WOULD YOU
8 STAND? SHE'S ALREADY STANDING. I HOPE YOU ALL WELCOME
9 HER HERE.

10 I'D LIKE ALSO TO WELCOME ROSEMARY CHENGSON AS
11 OUR FINANCIAL SERVICES OFFICER. IN THE NEXT WEEK
12 SHE'LL BE JOINING CIRM. SHE IS AN MBA AND A DOZEN
13 YEARS OF UNIVERSITY FINANCE EXPERIENCE. SHE WILL
14 PROVIDE NEEDED ASSISTANCE IN A SUCCESSION PLAN FOR OUR
15 FINANCE OFFICER.

16 WITH THAT, I'LL ASK ARLENE CHIU TO COME UP.

17 DR. CHIU: GOOD AFTERNOON.

18 CHAIRMAN KLEIN: ARLENE, FOR THE BENEFIT OF
19 THE PUBLIC, I SHOULD INDICATE THAT WE'RE IN A PERIOD
20 WHERE WE HAVE THE PRIVILEGE OF A DUAL LEADERSHIP OF OUR
21 INSTITUTION. AND ARLENE, AS THE CHIEF SCIENTIFIC
22 OFFICER, IS LEADING THE SCIENTIFIC ENTERPRISE. AND
23 LORI HOFFMAN IS LEADING THE OPERATIONS ENTERPRISE OF
24 OUR INSTITUTE.

25 DR. CHIU: THANK YOU, MR. CHAIRMAN. AND I

1 HOPE PEOPLE CAN SEE THE SLIDES. I'D LIKE TO BRING FOUR
2 ITEMS TO YOUR ATTENTION TODAY.

3 FIRST, NEW APPOINTMENTS AND RECRUITMENTS IN
4 THE SCIENCE OFFICE. NEXT, I'D LIKE TO REVIEW FOR YOU
5 OUR PROCESS IN GRANTS ADMINISTRATION SO THAT YOU CAN
6 SEE HOW AN INCOMING APPLICATION BECOMES A FUNDED GRANT.
7 THIRD, AN UPDATE OF CURRENT AND UPCOMING SCIENTIFIC
8 INITIATIVES. AND I'LL END BY ASKING DR. KUMAR HARI,
9 SCIENTIFIC OFFICER HERE, TO PROVIDE A BRIEF UPDATE ON
10 WHERE WE ARE WITH RESPECT TO THE GRANTS ADMINISTRATION
11 POLICY FOR FOR-PROFIT ENTITIES.

12 WELL, WITH THE GREAT NEWS OF THE END TO THE
13 LAWSUIT, CIRM ENTERS INTO A NEW PHASE. WE NOW NEED TO
14 BUILD STAFF AND BUILD CAPACITY IN ORDER TO HANDLE THE
15 AMBITIOUS PROGRAMS OUTLINED IN THE SCIENTIFIC STRATEGIC
16 PLAN. AND TO MEET THIS NEW CHALLENGE, WE ARE PLEASED
17 TO ANNOUNCE THREE NEW ROLES FOR OUR EXISTING OR CURRENT
18 STAFF.

19 DR. PATRICIA OLSON, WHO HAS BEEN INSTRUMENTAL
20 IN THE DEVELOPMENT OF THE PLAN, NOW SERVES AS THE
21 INTERIM DIRECTOR OF SCIENTIFIC ACTIVITIES AND WILL BE
22 LEADING MANY OF THE ADMINISTRATIVE FUNCTIONS OF THE
23 SCIENCE OFFICE.

24 DR. GIL SAMBRANO, WHO IS THE SCIENCE OFFICER
25 FOR TRAINING GRANTS, WILL ALSO BE TAKING ON THE ROLE OF

1 SENIOR OFFICER FOR THE GRANTS WORKING GROUP. WE WILL
2 BE SEEKING THEIR PARTICIPATION MORE AND MORE AS NEW
3 SCIENTIFIC INITIATIVES MOVE FORWARD.

4 MS. AMY LEWIS HAS ACCEPTED THE POSITION OF
5 GRANTS MANAGEMENT OFFICER, A NEW AND VERY DEMANDING
6 ROLE THAT SHE HAS GROWN INTO OVER THE PAST YEAR.

7 WE ALSO HAVE TWO APPOINTMENTS. IN A FEW DAYS
8 WE'LL BE JOINED BY DR. BETTINA STEFFEN, WHO WILL BE A
9 NEW SCIENTIFIC OFFICER. SHE GRADUATED FROM DARTMOUTH,
10 THEN FROM STANFORD MEDICAL SCHOOL WHERE SHE TRAINED IN
11 SURGERY. OVER THE PAST FEW YEARS, SHE'S BEEN WORKING
12 ON RETROSPECTIVE ANALYSES OF CLINICAL TRIALS,
13 PARTICULARLY THOSE DEALING WITH TRANSPLANTATION, AND
14 SHE WILL BRING CRITICAL EXPERTISE TO OUR TEAM OF
15 SCIENCE OFFICERS.

16 MS. SUE MARTON IS A NEW GRANTS TECHNICAL
17 ASSISTANT WHO ALSO COMES TO US FROM STANFORD. SHE
18 ASSISTS AMY LEWIS IN GRANTS MANAGEMENT.

19 WE CONTINUE TO RECRUIT STAFF, IN PARTICULAR
20 SCIENCE OFFICERS, AS WELL AS GRANTS MANAGEMENT
21 SPECIALISTS TO DEAL WITH THE WORKLOAD THAT CAN BEST BE
22 SEEN PERHAPS IN THE NEXT SLIDE.

23 TO DATE, YOU ALL KNOW THAT CIRM HAS ISSUED
24 FOUR RFA'S TO FUND TRAINING GRANTS, SEED GRANTS,
25 COMPREHENSIVE RESEARCH GRANTS, AND NOW GRANTS TO

1 SUPPORT SHARED LABS AND TECHNIQUES COURSES. I'D LIKE
2 TO TAKE JUST A FEW MINUTES OF YOUR TIME TO GO OVER THE
3 PROCESS FOR HANDLING ALL THESE APPLICATIONS AND GRANTS
4 SO THAT YOU CAN SEE THE ACTIVITIES AND TIME INVOLVED AT
5 EACH STAGE OF THE PROCESS.

6 I'VE SUMMARIZED THE PROCESS HERE INTO SIX
7 CONSECUTIVE STAGES. THE FIRST THREE END WITH THE ICOC
8 APPROVAL OF AN APPLICATION, SHOWN IN RED. AND THE NEXT
9 TWO ENDING WITH THE ACTUAL TRANSFER OF FUNDS TO AN
10 APPLICANT, ALSO SHOWN IN RED, AS WARRANTS ARE SENT TO
11 GRANTEES. AT THIS POINT AN APPLICATION BECOMES A GRANT
12 WHEN MONEY FROM THE STATE HAS BEEN GRANTED OR PROVIDED
13 FOR AN APPROVED ACTIVITY.

14 SO THE POINT HERE IS THAT EVERYTHING IN THE
15 YELLOW BOXES ARE STILL APPLICATIONS, AND YOU DON'T
16 BECOME A GRANT UNTIL YOU LAND IN THE BLUE BOX.

17 STAGE 1 IS WHEN AN RFA IS FIRST DEVELOPED,
18 APPROVED BY THE ICOC, AND POSTED. CIRM STAFF ALSO
19 PROCESSES THE LETTERS OF INTENT AND APPLICATIONS THAT
20 COME IN IN RESPONSE TO AN RFA.

21 IN STAGE 2 CIRM STAFF SETS UP THE REVIEW OF
22 APPLICATIONS BY THE GRANTS WORKING GROUP. THE SCIENCE
23 TEAM HAS TO JUGGLE THE AVAILABILITY, CONFLICTS OF
24 INTEREST, AND EXPERTISE OF THE MEMBERS, AS WELL AS
25 RECRUIT SUBJECT SPECIALISTS IN GETTING APPLICATIONS

1 REVIEWED.

2 STAGE 3, ONCE THE MEETING IS OVER, SCIENCE
3 OFFICERS PUT TOGETHER THE REPORTS THAT CAPTURE THE
4 REVIEW OF EACH APPLICATION. WE PRODUCE TWO SEPARATE
5 REPORTS FOR EACH APPLICATION, A CONFIDENTIAL REPORT FOR
6 THE EYES ONLY OF THE APPLICANT, AND A PUBLIC REPORT FOR
7 THE ICOC AND THE PUBLIC. STAGE 3 ENDS WITH THE ICOC
8 SELECTION AND APPROVAL OF MERITORIOUS APPLICATIONS FOR
9 FUNDING. BUT NOTE THAT CHECKS DO NOT GO OUT
10 IMMEDIATELY WITH APPROVAL.

11 IN STAGE 4 EACH APPROVED APPLICATION IS
12 CAREFULLY REVIEWED BY CIRM STAFF FOR COMPLIANCE WITH
13 THE GAP AND CONDITIONS OF THE RFA ON ISSUES SUCH AS
14 ELIGIBILITY, BUDGET, THERE MAY BE CHANGES,
15 INACCURACIES, OVERLAP, THE USE OF HUMAN STEM CELLS,
16 HUMAN SUBJECTS, VERTEBRATE ANIMALS. IN THE VERNACULAR,
17 YOUR SCRO APPROVAL, IRB, IACUC, ETC. AT THIS STAGE THE
18 APPLICANT IS ENGAGED AND HAS TO PROVIDE CIRM WITH THE
19 ASSURANCES AND CERTIFICATIONS WHERE THEY APPLY TO THE
20 RESEARCH PROPOSED. IF THEY ARE SLOW IN PROVIDING THE
21 APPROPRIATE MATERIAL, IT'S SLOWS US DOWN AND DELAYS
22 FUNDING.

23 THIS REPRESENTS A LOT OF WORK FOR GRANTS
24 MANAGEMENT. EACH APPLICATION IS CHECKED BY A GRANTS
25 MANAGER AND BY A SCIENTIFIC OFFICER, WHICH IS WHY WE'RE

1 STRIVING TO BUILD CAPACITY IN THIS ARM OF OUR PROCESS.

2 WHEN ALL THE MATERIALS HAVE BEEN RECEIVED AND
3 REQUIREMENTS MET, WE MOVE TO STAGE 5. CIRM SENDS OUT A
4 NOTICE OF GRANT AWARD, STATING TERMS AND CONDITIONS OF
5 THE AWARD. WHEN THE NOTICE IS SIGNED AND RETURNED TO
6 US BY THE APPLICANT, WE NOTIFY THE STATE CONTROLLER,
7 WHO THEN ISSUES THE CHECKS OR WARRANTS. SO AT THE END
8 OF STAGE 5, AN APPLICATION BECOMES A GRANT.

9 STAGE 6 JUST SUMMARIZES HOW WE MONITOR
10 ACTIVITIES AND PROGRESS OF EACH GRANT. IN THE INTEREST
11 OF TIME, I'LL SAVE THE DETAILS FOR ANOTHER DAY.

12 THIS SLIDE HAS TWO TAKE-HOME MESSAGES.
13 FIRST, THE CIRM HAS DEVELOPED AND IS USING A GRANTS
14 ADMINISTRATION PLAN WITH CHECKS AT EVERY STAGE. NO
15 MONEY IS RELEASED WITHOUT CAREFUL REVIEW TO ENSURE THAT
16 OUR TERMS AND CONDITIONS HAVE BEEN MET. TWO, SOME OF
17 THESE STEPS ARE VERY TIME CONSUMING AND LABOR
18 INTENSIVE, PARTICULARLY WHEN WE'RE STILL BUILDING STAFF
19 CAPACITY AND ASSEMBLING THE NUTS AND BOLTS OF THIS
20 ENGINE. THE PROCEDURES ARE GOING TO BE REFINED AND
21 REVISED WITH TIME AND PRACTICE. AND WITH NEW HIRES, WE
22 WILL BE GETTING FASTER AND BETTER AT THIS PROCESS.

23 SO YOU MIGHT ASK HOW ARE THE SEED GRANTS
24 DOING IN THE PROCESS. YOU MAY REMEMBER STAGE 1 STARTED
25 IN JULY OF 2006. STAGE 2 ENDED WITH THE REVIEW OF 231

1 APPLICATIONS AT THE END OF NOVEMBER LAST YEAR. IN
2 STAGE 3 THE ICOC APPROVED THE FUNDING OF 74
3 APPLICATIONS AT TWO MEETINGS HELD IN FEBRUARY AND
4 MARCH. SORRY FOR THE MISTAKE THERE. SINCE THEN, WE'VE
5 BEEN WORKING HARD ON STAGE 4 WITH EACH APPLICANT, MANY
6 OF WHOM ARE NEW AT THIS AND UNFAMILIAR WITH OUR
7 CONDITIONS AND OUR PROCESS. WE EXPECT THE FIRST BATCH
8 OF NOTICE OF GRANT AWARDS TO BE ISSUED THIS MONTH.

9 CONCURRENT WITH THIS, A VERY SIMILAR PROCESS
10 IS TAKING PLACE WITH THE COMPREHENSIVE GRANTS WHERE 70
11 APPLICATIONS WERE RECEIVED AND 29 APPROVED FOR FUNDING.
12 SO, IN SUMMARY, CIRM STAFF CARRIES OUT A LOT OF WORK
13 BEHIND THE SCENES IN EACH OF THESE BOXES, AND WE STRIVE
14 TO BE GOOD STEWARDS OF THE PUBLIC'S MONEY.

15 OUR SCIENTIFIC OFFICERS HAVE BEEN BUSY WITH
16 OTHER ACTIVITIES. WE KNOW THAT THE STEM CELL FIELD
17 MOVES RAPIDLY, AND CUTTING-EDGE RESEARCH TAKES PLACE IN
18 LABS ALL OVER THE WORLD. CIRM STAFF HAS TO STAY
19 EDUCATED AND INFORMED OF NEW DEVELOPMENTS. AND TO DO
20 THIS, THEY HAVE BEEN ATTENDING AND PARTICIPATING AT
21 MEETINGS SUCH AS SOME OF THESE LISTED HERE. THESE ARE
22 JUST THE MEETINGS SINCE JANUARY OF 2007.

23 BY ATTENDING MEETINGS SUCH AS THESE, WE CAN
24 ALSO FIND OUT HOW CALIFORNIA SCIENTISTS AND CLINICIANS
25 ARE DOING WITH RESPECT TO THEIR PEERS IN OTHER PARTS OF

1 THE COUNTRY, AS WELL AS THE REST OF THE WORLD.

2 ANOTHER WAY TO FIND OUT HOW OUR FUNDED
3 INVESTIGATORS ARE DOING IS HOLD A MEETING JUST FOR
4 THEM. FOR STUDENTS AND FELLOWS SUPPORTED BY THE CIRM
5 TRAINING PROGRAM, WE WILL BE HOLDING THE ANNUAL CIRM
6 SCHOLARS MEETING IN SEPTEMBER AT TWO LOCATIONS SO THAT
7 NO ONE HAS TO TRAVEL TOO FAR, ONE FOR NORTHERN
8 CALIFORNIA TO BE HELD IN MISSION BAY AND ANOTHER FOR
9 SCHOLARS IN SOUTHERN CALIFORNIA AT UC IRVINE. THESE
10 ONE-DAY MEETINGS ARE DESIGNED JUST FOR THE STUDENTS SO
11 THAT THEY CAN PRESENT NEW DATA, DISCUSS THEIR WORK, AND
12 PLAN COLLABORATIONS WITH OTHERS IN THE STATE.

13 BECAUSE WE WANT THEM TO TALK FREELY AND
14 FRANKLY ABOUT UNPUBLISHED RESULTS, ATTENDANCE WILL BE
15 LIMITED TO THE TRAINEES AND THEIR MENTORS. THEY WILL
16 BE ASKED TO PROVIDE A PUBLIC ABSTRACT OF THEIR WORK,
17 AND THESE WILL BE MADE AVAILABLE TO THE PUBLIC. DR.
18 GIL SAMBRANO, OUR TRAINING OFFICER, IS IN CHARGE OF
19 ORGANIZING THESE MEETINGS.

20 A NUMBER OF OUR TRAINEES AND GRANTEES WILL BE
21 PRESENTING THEIR WORK AT THE ANNUAL MEETING OF THE
22 INTERNATIONAL SOCIETY FOR STEM CELL RESEARCH, WHICH
23 TAKES PLACE IN A COUPLE OF WEEKS IN AUSTRALIA. THE
24 INDIVIDUALS ON THIS SLIDE HAVE BEEN AWARDED TRAVEL
25 FUNDS TO MAKE THEIR PRESENTATIONS AT THE MEETING. AND

1 ALL OF THESE ARE CIRM TRAINEES EXCEPT FOR DR.
2 RAMALHO-SANTOS WITH THE ASTERISK WHO'S AT UCSF AND WHO
3 WILL BE RECEIVING A SEED GRANT.

4 SO I'D LIKE TO END BY MENTIONING TWO UPCOMING
5 INITIATIVES. FIRST, WE WILL BE PRESENTING AN RFA FOR
6 CIRM NEW FACULTY AWARDS FOR YOUR CONSIDERATION UNDER
7 AGENDA ITEM 19 LATER IN THE MEETING.

8 FINALLY, YOU MAY RECALL THE DISEASE TEAM
9 CONCEPT IS ONE OF TWO SPECIAL PROGRAMS THAT WERE
10 HIGHLIGHTED BY ZACH IN THE SCIENTIFIC STRATEGIC PLAN.
11 AND YOU WILL FIND IT ON PAGE 81 IF YOU GO BACK TO THE
12 PLAN. THE RATIONALE FOR A TEAM APPROACH IS THE IDEA
13 THAT TREATMENT DEVELOPMENT WILL PROCEED MORE RAPIDLY
14 AND EFFICIENTLY WHEN THERE ARE WELL-DEFINED AND
15 INTEGRATED PROJECT PLANS TO BRING THE RESEARCH ALONG
16 STAGE BY STAGE FROM LAB TO CLINIC. IN MANY CASES
17 MULTIDISCIPLINARY TEAMS MAY BE NEEDED TO PROVIDE THE
18 BASIC TRANSLATIONAL AND CLINICAL RESEARCH AND EXPERTISE
19 NECESSARY TO CRACK CERTAIN BOTTLENECK PROBLEMS OR TO
20 TARGET CERTAIN STAGES IN RESEARCH.

21 TO LAUNCH THE CIRM DISEASE TEAM INITIATIVE,
22 WE PROPOSE THREE COMPONENTS. FIRST, A WORKSHOP WILL BE
23 HELD WITH THE GOAL OF ESTABLISHING PRINCIPLES AND
24 GUIDELINES FOR THE TEAMS AND FOR THE TEAM PLANNING
25 GRANTS. WE EXPECT TO HOLD THIS WORKSHOP THIS SUMMER.

1 NEXT, WE PROPOSE AN RFA TO FUND DISEASE TEAM
2 PLANNING GRANTS. THESE WILL BE SMALL, SHORT-TERM
3 GRANTS SO THAT RESEARCHERS CAN FORM THEIR TEAMS,
4 DEVELOP THEIR PLANS, AND PREPARE THOUGHTFUL PROPOSALS
5 FOR THE DISEASE TEAM GRANTS TO FOLLOW. WITH GUIDANCE
6 FROM THE WORKSHOP, WE HOPE TO DEVELOP AND PRESENT THIS
7 FOR YOUR APPROVAL THIS FALL.

8 FINALLY, AN RFA FOR DISEASE TEAM GRANTS
9 THEMSELVES. THESE WILL BE LARGE, MULTIYEAR GRANTS TO
10 SUPPORT WELL-DEFINED, INTEGRATED RESEARCH PROJECTS THAT
11 TARGET SPECIFIC DISEASES AND DEVELOP TREATMENTS. EACH
12 RFA WILL BE PRESENTED TO THE ICOC FOR CONCEPT APPROVAL
13 WHEN IT'S READY FOR PRIME TIME. THE DISEASE TEAM
14 INITIATIVE IS BEING DEVELOPED BY DR. RUTH GLOBUS AT
15 CIRM.

16 SO IF THERE ARE NO QUESTIONS, I'D LIKE TO
17 TURN THE PODIUM OVER TO DR. KUMAR HARI NOW TO TELL US
18 ABOUT THE GRANTS ADMINISTRATION PROCESS FOR FOR-PROFIT
19 ENTITIES. DRS. HARI AND OLSON ARE LEADING THE
20 DEVELOPMENT OF THIS POLICY.

21 DR. KUMAR: THANKS, ARLENE. SO I JUST WANT
22 TO GIVE A VERY QUICK UPDATE ON THE PROGRESS WE'VE MADE
23 IN THE PAST FEW MONTHS IN DEVELOPING A GRANTS
24 ADMINISTRATION POLICY FOR FOR-PROFIT ENTITIES. AND
25 RECALL THIS IS A VERY IMPORTANT STEP IN BRINGING STEM

1 CELL THERAPIES TO MARKET, AS WELL AS ACCOMPLISHING THE
2 GOALS LAID OUT IN THE SCIENTIFIC STRATEGIC PLAN BECAUSE
3 FOR-PROFIT ENTITIES ARE EFFECTIVELY PROHIBITED FROM
4 APPLYING FOR FUNDS FROM CIRM UNTIL THIS POLICY IS IN
5 PLACE.

6 SO IN DEVELOPING THIS POLICY, WE UTILIZED THE
7 CIRM GRANTS ADMINISTRATION POLICY FOR ACADEMIC AND
8 NONPROFIT INSTITUTES AS A TEMPLATE. AND, AGAIN, RECALL
9 THIS POLICY WAS APPROVED BY THE ICOC LAST YEAR AND
10 SUBSEQUENTLY WAS APPROVED BY THE OFFICE OF
11 ADMINISTRATIVE LAW IN MARCH OF THIS YEAR.

12 WHAT WE HAVE DONE THUS FAR IS IDENTIFIED
13 SEVERAL AREAS THAT REQUIRE REVIEW AND AMENDMENT IN
14 ORDER TO ACCOMMODATE INTERACTIONS WITH THE FOR-PROFIT
15 SECTOR, AND THESE ARE LISTED ON THE SLIDE. I'LL JUST,
16 BY WAY OF EXAMPLE, MENTION CONFIDENTIALITY, WHICH IS,
17 OF COURSE, AN IMPORTANT ASPECT OF DEALING WITH THE
18 FOR-PROFIT SECTOR. DEFINING THE ALLOWABLE INDIRECT
19 COST FOR FOR-PROFITS, AND ALSO DETERMINING WHAT CIRM
20 WILL REQUIRE WHEN THERE'S A CHANGE OF PROJECT CONTROL
21 FOR INSTITUTIONS THAT RECEIVE CIRM FUNDING.

22 SO THUS FAR WE HAVE INCORPORATED SOME
23 RELATIVELY ROUGH-DRAFT LANGUAGE FOR SEVERAL OF THESE
24 AREAS. AND THE NEXT STEP IS TO REVIEW VERY IN MUCH
25 DETAIL WHAT WE'LL ALLOW FOR INDIRECT COSTS.

1 SECOND, WHAT WE'D LIKE TO DO IS RECEIVE INPUT
2 FROM CIRM LEGAL COUNSEL IN TERMS OF HOW THIS GRANTS
3 ADMINISTRATION POLICY FITS WITH THE MANDATES OF
4 PROPOSITION 71, AS WELL AS LANGUAGE THAT'S CURRENTLY
5 BEING DISCUSSED FOR THE INTELLECTUAL PROPERTY POLICY
6 FOR FOR-PROFITS.

7 FINALLY, THERE ARE MECHANISMS BEYOND GRANTS
8 THAT CIRM WOULD LIKE TO USE IN INTERACTING WITH THEIR
9 GRANTEES. AND HERE THEY ALSO INCLUDE LOANS AND
10 CONTRACTS. AND WE EXPECT THAT ONCE THE GRANTS
11 ADMINISTRATION POLICY FOR FOR-PROFITS IS COMPLETE, THAT
12 WE WILL INCORPORATE THESE USING SEPARATE TERMS AND
13 CONDITIONS.

14 CHAIRMAN KLEIN: THANK YOU VERY MUCH.
15 GREATLY APPRECIATE THAT.

16 WHAT WE'D LIKE TO DO IS MOVE ON NOW TO AGENDA
17 ITEM NO. 8. THIS WILL BE A PRELIMINARY CONSIDERATION
18 OF RANKINGS WHICH WILL ONLY BE CONFIRMED TOMORROW IN
19 ACTUAL FINAL VOTES. SO THERE WILL BE A RATIFICATION
20 TOMORROW OF EVERYTHING REVIEWED TODAY.

21 DR. HENDERSON: JUST BEFORE WE GET TO THAT,
22 CAN I ASK ARLENE A QUESTION? ARLENE, WITH THE SEED
23 GRANTS BEING FUNDED, OKAY, THIS MONTH, THOSE ARE
24 TWO-YEAR GRANTS. SO DO YOU HAVE A PLAN FOR HOW WE
25 FOLLOW UP ON THAT TWO YEARS? THERE WILL BE SOME SORT

1 OF COMPETITION AS A FOLLOW-UP TO THAT?

2 DR. CHIU: I WISH I HAD AN ANSWER FOR THAT,
3 BUT THE REALITY IS WE HAVEN'T THOUGHT THAT FAR AHEAD.
4 NOW, FOR YOUNG FACULTY WHO HAVE BEEN LAUNCHED WITH SEED
5 GRANTS, THEY'RE CERTAINLY ELIGIBLE TO APPLY
6 CONCURRENTLY WHILE THEY HAVE A SEED GRANT FOR ONE OF
7 THE YOUNG FACULTY AWARDS. FOR MORE COMPREHENSIVE
8 STUDIES, WE WILL BE LOOKING DOWN THE PIKE, BUT I'M NOT
9 SURE WHEN AN RFA FOR LINKAGE AND FOLLOW-UP WILL ENSUE.

10 DR. HENDERSON: GIVEN THE LEAD-TIME FROM
11 CONCEIVING THIS TO ACTUALLY DELIVERING MONEY, IT MIGHT
12 BE SOMETHING YOU'D WANT TO DISCUSS INTERNALLY. I
13 REALIZE YOU'VE GOT A LOT ON YOUR PLATE, BUT I THINK
14 IT'S IMPORTANT WE TRY TO PROVIDE CONTINUITY OF FUNDING.
15 ONCE WE BRING PEOPLE IN WITH THESE SEED GRANTS, GIVE
16 THEM ANOTHER OPPORTUNITY FOR LONGER FUNDING ON THE
17 ASSUMPTION THAT THEY'RE SUCCESSFUL, A LARGER GRANT, SO
18 WE CAN BUILD THE BASE OF SCIENCE IN THE STATE.

19 DR. CHIU: ONE POSSIBILITY IS THE BIOLOGY OF
20 STEM CELLS. AND THAT'S AN INITIATIVE THAT SHOULD BE
21 RATHER EARLY ON IN THE STRATEGIC PLAN.

22 DR. HENDERSON: THANK YOU.

23 DR. BALTIMORE: COULD I ASK A QUESTION OF
24 DR. KUMAR. TRADITIONALLY THE INDIRECT COST RATES FOR
25 PROFIT-MAKING ORGANIZATIONS ARE WAY HIGHER THAN THE

1 INDIRECT COST RATES FOR NONPROFIT ORGANIZATIONS. DO
2 YOU EXPECT THAT TO BE TRUE HERE?

3 DR. KUMAR: I THINK WE NEED TO DO THE
4 ASSESSMENT. THERE ARE LIMITATIONS ON INDIRECT COSTS AS
5 LAID OUT IN PROPOSITION 71, AND SO WE NEED TO DO A VERY
6 CAREFUL ANALYSIS TO KNOW WHETHER THAT'S GOING TO BE
7 TRUE OR NOT.

8 DR. BALTIMORE: I DON'T THINK YOU ANSWERED
9 THE QUESTION. THAT'S ALL RIGHT. YOU DON'T NECESSARILY
10 HAVE TO.

11 DR. KUMAR: I CAN GIVE YOU MY GUESS, BUT I
12 THINK WE WANT TO DO THE ANALYSIS.

13 CHAIRMAN KLEIN: THANK YOU VERY MUCH. ANY
14 ADDITIONAL BOARD QUESTIONS?

15 WE'LL NOW BEGIN THE CONSIDERATION OF THE
16 SHARED LAB AND TECHNIQUES COURSE GRANT APPLICATIONS,
17 GOING THROUGH THE RECOMMENDATIONS FROM THE GRANT
18 WORKING GROUP AND THE FACILITIES WORKING GROUP. AS WE
19 ALL KNOW, THIS IS FOR UP TO \$48.5 MILLION FOR DEDICATED
20 LABORATORY SPACE FOR THE CULTURE OF HUMAN EMBRYONIC
21 STEM CELLS, PARTICULARLY THOSE THAT FALL OUTSIDE THE
22 FEDERAL GUIDELINES.

23 THESE GRANTS WILL SUPPORT THE DEVELOPMENT OF
24 CORE LABORATORIES FOR USE BY MULTIPLE INVESTIGATORS,
25 POTENTIALLY SHARED BY MULTIPLE INSTITUTIONS, PROVIDING

1 AN ENVIRONMENT FOR SCIENTIFIC RESEARCH ON HUMAN
2 EMBRYONIC STEM CELLS UNDER THE CALIFORNIA INSTITUTE OF
3 REGENERATIVE MEDICINE'S MEDICAL AND ETHICAL STANDARDS.

4 WE WILL PROCEED ON THIS ITEM WITH A
5 SEQUENTIAL SET OF PRESENTATIONS GIVEN THAT WE WILL BE
6 CONSIDERING THE RECOMMENDATIONS OF TWO WORKING GROUPS,
7 BOTH THE GRANT WORKING GROUP AND THE FACILITIES WORKING
8 GROUP. THE RFA HAS SEVERAL COMPONENTS.

9 IS THERE A SLIDE FOR THE AUDIENCE? I CAN
10 SUMMARIZE THOSE. UP TO ONE MILLION FOR SHARED RESEARCH
11 FACILITIES, UP TO ONE MILLION FOR MOVABLE EQUIPMENT,
12 AND UP TO 500,000 FOR A TECHNIQUES COURSE.

13 AND, ARLENE, THE 500,000 FOR A TECHNIQUES
14 COURSE, COULD YOU GIVE US SOME ADDITIONAL DETAIL FOR
15 THE TIME PERIOD FOR THAT COURSE?

16 MS. HOFFMAN: SO, BOB, ORIGINALLY -- EXCUSE
17 ME. CHAIRMAN KLEIN, ORIGINALLY IT WAS CONCEIVED THAT
18 \$250,000 WOULD BE USED FOR CAPITAL FOR THESE TECHNIQUE
19 COURSES AND ANOTHER 250 FOR EQUIPMENT. THE RFA WENT
20 OUT AND ALLOWED FOR THE MOVING OF MONEY. SO IN MANY
21 CASES WE HAVE NO MONEY IN CAPITAL OF THAT 500,000 AND
22 UP TO 500,000 FOR EQUIPMENT, AND THEN IN ONE CASE IN
23 PARTICULAR, MOST OF THE 500,000 WAS REQUESTED FOR
24 CAPITAL ONLY.

25 CHAIRMAN KLEIN: OKAY. WE RECEIVED 22

1 APPLICATIONS FOR THE SHARED LABS AND NINE APPLICATIONS
2 FOR THE TECHNIQUES COURSE. AN APPLICANT MUST BE
3 SUCCESSFUL IN THE SHARED RESEARCH LAB ROUND BEFORE THEY
4 CAN BE CONSIDERED FOR THE TECHNIQUES COURSE.

5 BOTH THE GRANTS WORKING GROUP AND THE
6 FACILITIES WORKING GROUP CONDUCTED A TECHNICAL REVIEW
7 AS WELL AS A PROGRAMMATIC REVIEW FOR THE TWO PROGRAM
8 AREAS, THE SHARED RESEARCH LABS AND THE TECHNIQUES
9 COURSE.

10 WE HAVE DEVELOPED A PROCESS IN GOING THROUGH
11 THIS GRANT REVIEW TO MINIMIZE IMPACTS OF CONFLICTS OF
12 INTEREST. AND PERHAPS, TAMAR PACHTER, OUR GENERAL
13 COUNSEL, YOU COULD COMMENT ON THAT.

14 MS. PACHTER: CHAIRMAN KLEIN, IF YOU DON'T
15 MIND, I THINK THE WAY STAFF SET THIS UP WAS THAT THE
16 LIAISONS TO THE GRANTS WORKING GROUP WERE GOING TO GO
17 OVER THE RFA, AND THEN MEMBER SHEEHY WAS GOING TO GO
18 THROUGH THE RESULTS AT THE WORKING GROUPS, AND THEN I
19 WAS GOING TO PRESENT THE VOTING, SO PEOPLE WOULDN'T
20 FORGET ABOUT IT BEFORE I GOT THERE.

21 CHAIRMAN KLEIN: GREAT. WE CAN CERTAINLY
22 FOLLOW THAT PROTOCOL. SO FOLLOWING ON THAT
23 RECOMMENDATION, DR. GIL SAMBRANO WILL BRIEF US, I
24 THINK, ON THE GRANTS WORKING GROUP PROCEDURES, AND RICK
25 KELLER WILL REVIEW THE FACILITIES WORKING GROUP

1 PROCESS, FOLLOWED BY JEFF SHEEHY.

2 DR. SAMBRANO: THANK YOU VERY MUCH, MR.
3 CHAIRMAN. AS YOU CAN SEE IN THE SLIDE ABOVE,
4 APPLICATIONS FOR A SHARED RESEARCH LABORATORY WERE
5 SUBMITTED TO CIRM IN TWO DISTINCT PARTS. IN PART 1 THE
6 APPLICATIONS CONTAINED ONLY THOSE ELEMENTS THAT WERE
7 PEER REVIEWED FOR SCIENTIFIC MERIT BY THE GRANTS
8 WORKING GROUP, WHICH I WILL BRIEFLY DISCUSS.

9 THE PART 2 APPLICATIONS WERE REVIEWED BY THE
10 FACILITIES WORKING GROUP, AND THE INFORMATION CONTAINED
11 WITHIN THE PART 2 APPLICATION WAS NOT AVAILABLE TO THE
12 GRANTS WORKING GROUP.

13 AS YOU ARE AWARE, THE GRANTS WORKING GROUP IS
14 COMPOSED OF 15 SCIENTISTS FROM OUTSIDE OF CALIFORNIA
15 AND SEVEN PATIENT ADVOCATE MEMBERS OF THE ICOC. EACH
16 OF THE 22 PART 1 APPLICATIONS THAT WERE RECEIVED WERE
17 ASSIGNED TO THREE SCIENTIST MEMBERS OF THE GRANTS
18 WORKING GROUP FOR REVIEW.

19 PRELIMINARY CRITIQUES OF EACH APPLICATION WAS
20 SUBMITTED ELECTRONICALLY USING OUR CIRM WEB-BASED
21 REVIEW SYSTEM. REVIEWERS WERE ASKED TO EVALUATE THE
22 APPLICATIONS BASED ON THE CRITERIA SHOWN IN THE NEXT
23 SLIDE FOR BOTH THE SHARED LAB AND THE TECHNIQUES
24 COURSE. THEY WERE ALSO ASKED TO INDICATE THEIR LEVEL
25 OF ENTHUSIASM BY ENTERING A PRELIMINARY SCORE BETWEEN

1 ONE AND A HUNDRED, WITH A HUNDRED BEING THE BEST, THAT
2 REFLECTS THEIR OVERALL ASSESSMENT OF THE SCIENTIFIC
3 MERITS OF THE PROPOSAL.

4 THE GRANTS WORKING GROUP THEN MET ON APRIL
5 4TH IN SAN FRANCISCO IN CLOSED SESSION TO DISCUSS THE
6 SCIENTIFIC MERITS OF EACH APPLICATION. IN THE FIRST
7 STAGE OF THIS REVIEW MEETING, THE ASSIGNED REVIEWERS
8 PRESENTED THEIR PRELIMINARY ASSESSMENTS. THE WORKING
9 GROUP MEMBERS COULD PARTICIPATE IN THE DISCUSSION IF
10 THEY WERE NOT IN CONFLICT WITH THE APPLICATION.

11 FOLLOWING DISCUSSION BY THE FULL PANEL, EACH
12 SCIENTIFIC MEMBER WHO WAS NOT IN CONFLICT GAVE A FINAL
13 SCORE IN CONFIDENTIAL BALLOT. THE AVERAGE SCORE FOR
14 EACH APPLICATION WAS THEN TALLIED, AND THIS REPRESENTS
15 THE SCIENTIFIC SCORE GIVEN BY THE GRANTS WORKING GROUP.

16 IN THE SECOND STAGE OF THE REVIEW, MR. JEFF
17 SHEEHY, WHO WAS SERVING AS THE VICE CHAIR OF THE
18 WORKING GROUP, LED A DISCUSSION IN WHICH APPLICATIONS
19 WERE ASSESSED BY THE FULL WORKING GROUP FOR
20 PROGRAMMATIC RELEVANCE TO THE CIRM MISSION AND THE
21 SPECIFIC GOALS OF THE RFA.

22 AT THE CONCLUSION OF THIS DISCUSSION, THE
23 WORKING GROUP VOTED TO BRING THEIR FINAL
24 RECOMMENDATIONS TO THE ICOC, WHICH MR. SHEEHY WILL
25 PRESENT IN A FEW MINUTES.

1 THE DISCUSSION AND RECOMMENDATIONS MADE BY
2 THE GRANTS WORKING GROUP ARE REFLECTED IN THE REVIEW
3 REPORTS THAT WERE PREPARED BY CIRM SCIENTIFIC OFFICERS
4 PRESENT AT THE MEETING, AND THESE REVIEW REPORTS ARE
5 AVAILABLE TO YOU IN YOUR NOTEBOOKS AND ALSO AVAILABLE
6 PUBLICLY ON THE CIRM WEBSITE.

7 I BELIEVE RICK WILL PRESENT NEXT.

8 MR. KELLER: I'D LIKE TO GO OVER JUST IN A
9 FEW MINUTES THE PROCESS THAT WAS USED FOR THE PART 2
10 REVIEW OF THE APPLICATION, AND THEN I'LL TURN IT OVER
11 TO MEMBER SHEEHY TO REVEAL THE OUTCOME.

12 CHAIRMAN KLEIN: AND, RICK, IF I COULD
13 INTRODUCE YOU FOR PURPOSES OF THE AUDIENCE AND THE NEW
14 MEMBERS OF THE BOARD. RICK KELLER IS THE SENIOR STAFF
15 MEMBER FOR THE FACILITIES WORKING GROUP.

16 (BOARD MEMBERS PRIETO AND PENHOET
17 ARRIVE.)

18 MR. KELLER: THANK YOU. PART 2 OF THE
19 APPLICATION, AS GIL MENTIONED, WAS FOR THE CAPITAL
20 CONSTRUCTION AND EQUIPMENT PORTION OF THE REQUESTS OF
21 THE RFA. THE FACILITIES WORKING GROUP DID NOT MAKE ANY
22 JUDGMENTS ABOUT THE EQUIPMENT FUNDING AS THAT WAS
23 REVIEWED BY THE GRANTS WORKING GROUP.

24 THE RFA REQUESTED INFORMATION ON THE PLAN OF
25 THE RENOVATION, THE BUDGET, THE SCHEDULE, THE

1 INSTITUTIONAL COMMITMENT OR MATCHING FUNDS, AND
2 HISTORICAL PERFORMANCE ON SIMILAR CAPITAL PROJECTS.

3 THE PROCEDURES AND CRITERIA FOR REVIEW OF THE
4 SHARED RESEARCH LAB AND STEM CELL TECHNIQUES COURSE IS
5 INCLUDED IN MATERIALS THAT WERE DISTRIBUTED TO EACH OF
6 YOU IN THE BINDER.

7 TWO WORK GROUP REVIEWERS WERE ASSIGNED FOR
8 EACH APPLICATION. IN ADDITION, THE COMMITTEE DIRECTED
9 THAT THERE BE A STAFF ANALYSIS PREPARED FOR EACH
10 APPLICATION. THAT STAFF ANALYSIS IS ALSO INCLUDED IN
11 THE MATERIALS BEFORE YOU. THE STAFF ANALYSIS
12 IDENTIFIED KEY ISSUES, BUT DID NOT INCLUDE A SPECIFIC
13 RECOMMENDATION ON THE APPLICATIONS.

14 THE FACILITIES WORKING GROUP MET ON MAY 2D TO
15 CONDUCT ITS REVIEW. IN SOME OF THE APPLICATIONS, THE
16 ANALYSIS BY THE STAFF AND BY THE WORKING GROUP MEMBERS
17 IDENTIFIED TECHNICAL ISSUES RELATED TO THE FINANCIAL
18 REQUIREMENTS IN THE RFA. BECAUSE THIS IS CIRM'S FIRST
19 FACILITIES-RELATED RFA, THE WORKING GROUP WAS NOT
20 WILLING TO MARK DOWN AN APPLICANT BECAUSE OF THE
21 TECHNICAL FINANCIAL FLAW. THEREFORE, THE WORKING GROUP
22 VOTED TO OFFER SIMILARLY SITUATED APPLICANTS AN
23 OPPORTUNITY TO RESOLVE THE TECHNICAL ISSUE IN ADVANCE
24 OF THE ICOC'S REVIEW OF THE APPLICATIONS HERE.

25 THE WORKING GROUP THEN SCORED THE

1 APPLICATIONS WITHOUT TAKING THESE ISSUES INTO ACCOUNT.
2 CIRM STAFF SENT 18 LETTERS OFFERING APPLICANTS THE
3 UNIFORM REMEDY FOR THESE TECHNICAL FLAWS TO RESOLVE
4 THEM IN ADVANCE OF THE REVIEW. ALL BUT ONE APPLICANT
5 RESPONDED WITH THE CLARIFICATIONS OR COMMITMENT THAT
6 CURED THE TECHNICAL DEFICIENCIES. THE LETTERS AND
7 RESPONSES ARE ALSO INCLUDED AMONG THE MATERIALS BEFORE
8 YOU.

9 FOLLOWING THE TECHNICAL REVIEW, VICE CHAIRMAN
10 DAVID SERRANO-SEWELL PRESIDED OVER THE PROGRAMMATIC
11 REVIEW THAT ADDRESSED THE MAKEUP OF THE POOL BASED ON
12 THE TECHNICAL REVIEW AND CONSIDERATION OF GEOGRAPHY.

13 AND WITH THAT, I WILL TURN IT OVER TO MEMBER
14 SHEEHY TO DISCUSS THE APPLICATION -- THE OUTCOMES OF
15 THE APPLICATION REVIEW.

16 I ASSUMED YOU WOULD GO OVER THE WEIGHTING.

17 MR. SHEEHY: AND I JUST WANT TO PUT THESE UP
18 HERE IN THIS WAY SO YOU CAN SEE THAT THERE'S A GROUP
19 THAT BOTH WORKING GROUPS AGREED UPON BOTH ABOVE AND
20 BELOW. I THINK THAT THE FIRST ONE IN TIER 2 ACTUALLY
21 BELONGS IN TIER 1. I THINK THAT REFLECTS A LOWER SCORE
22 THAT WAS THERE FOR THE TECHNIQUES COURSE, BUT ACTUALLY
23 FOR THE SHARED LAB, IT SHOULD BE RANKED IN TIER 1.
24 JUST FOR OUR DISCUSSION.

25 SO THIS IS JUST A CRITERIA, AND I WON'T

1 REPEAT THEM. I THINK THIS SLIDE HAS BEEN UP THERE
2 ONCE. BUT THE WORKING GROUP DID APPROACH THIS WITH AN
3 EXTREME DEGREE OF DILIGENCE AND WERE TOUGH AT REALLY
4 LOOKING AT THE QUALITY OF THE SCIENCE AND THE ABILITY
5 OF THE SCIENTISTS AT THE RELATIVE INSTITUTIONS TO DO
6 THE WORK.

7 THESE ARE THE DISTRIBUTION OF THE SCORES. SO
8 THE HORIZONTAL AXIS REPRESENTS THE SCORES FROM ONE TO A
9 HUNDRED, AND THEN THE VERTICAL AXIS REPRESENTS THE
10 NUMBER OF APPLICATIONS WITHIN EACH SCORE BAND. SO IT'S
11 ONE TO FOUR FOR THE NUMBER OF INSTITUTIONS.

12 SO YOU WANT TO START PUTTING UP THE BREAKS?
13 SO THIS IS WHERE THEY BROKE. 73, ONE WENT FORWARD
14 RECOMMENDED FOR FUNDING AND ONE FELL OFF. I DON'T
15 THINK THAT -- YOU HAVE THE COMMENTS IN FRONT OF YOU. I
16 DON'T KNOW THAT -- I THINK THAT THE FACT THAT TWO
17 INSTITUTIONS BOTH HAD 73 REALLY REFLECTS HOW THE
18 WORKING GROUP FELT ABOUT THAT. THE NUMBERS TEND TO BE
19 FAIRLY RAW. BUT MY SENSE WITHIN THE DISCUSSION OF THE
20 PROGRAMMATIC REVIEW, AND WE WENT THROUGH BASICALLY
21 EVERY ONE BELOW 86 INDIVIDUALLY, THERE WAS A STRONG
22 FEELING THAT THE ONE 73 THAT WAS APPROVED FOR FUNDING
23 SHOULD BE APPROVED FOR FUNDING, AND THERE WAS AN
24 EQUALLY STRONG FEELING WITH ACTUAL VOTES THAT THE OTHER
25 FALL BELOW.

1 AND THERE WAS FOR THE FIRST TIME A MINORITY
2 REPORT. ONE REVIEWER FELT VERY STRONGLY ABOUT ONE OF
3 THE APPLICATIONS AND HAD SCORED THE APPLICATION IN THE
4 TOP TENTH PERCENTILE. AND THERE WERE OTHER RESEARCHERS
5 AND OTHER MEMBERS OF THE WORKING GROUP WHO SUPPORTED
6 THAT VIEW. YOU WANT TO THROW UP THE MINORITY REPORT?
7 THIS IS THE ACTUAL, AND THIS IS, AGAIN, IN YOUR BINDER.
8 I WON'T READ IT. BUT THERE WAS A STRONG FEELING FROM A
9 SUBSTANTIAL MINORITY OF THE GROUP OF THE WORKING GROUP,
10 AND IT HAS TO BE AT LEAST 35 PERCENT, THAT THIS
11 PARTICULAR APPLICATION SHOULD BE FUNDED, THAT THE
12 WEAKNESS WAS, TO SOME DEGREE, MITIGATED BY THE UNIQUE
13 CAPABILITIES OF THIS INSTITUTION, AND THEY FELT THAT
14 THERE WAS REFERENCE TO A RELATIONSHIP WITH AN
15 EXPERIENCED CELL CULTURE INVESTIGATOR, THAT THEY COULD
16 BE FURTHER ELABORATED UPON THAT WOULD MAKE THIS A VERY
17 IMPORTANT APPLICATION TO FUND.

18 SO ONE APPLICATION WAS APPROVED WITH
19 CONDITIONS. THEY FELT IT WAS A STRONG APPLICATION, BUT
20 THERE WERE SHORTCOMINGS. AND THIS IS, I THINK, THE
21 FIRST INSTANCE WHERE WE HAVE HAD, WHERE THE WORKING
22 GROUP HAS ACTUALLY PUT FORWARD AN APPLICATION
23 RECOMMENDING THAT WE FUND IT, BUT WITH SPECIFIC
24 CONDITIONS AS OPPOSED TO EITHER STRAIGHT UP OR STRAIGHT
25 DOWN. SO IF WE DO DECIDE TO APPROVE THIS APPLICATION,

1 IT SHOULD BE WITH THESE CONDITIONS ATTACHED.

2 NOW WE'LL HEAD OVER TO THE FACILITIES WORKING
3 GROUP, AND I'M KIND OF STANDING IN FOR DAVID WHO'S NOT
4 HERE TODAY. THIS SHOWS THE WEIGHTING FOR THE
5 FACILITIES WORKING GROUP. FEASIBILITY AND COST: ZERO
6 TO 15 FOR FEASIBILITY, ZERO TO 20 POINTS FOR COST.

7 TIMELINE AND MILESTONES, ZERO TO 20 POINTS.

8 INSTITUTIONAL COMMITMENT, ZERO TO 20. AND
9 THAT ACTUALLY IS SOMETHING WE'LL NEED TO REVISIT.
10 INSTITUTIONAL COMMITMENT REFERS TO LEVERAGING THAT IS
11 REQUIRED IN PROP 71. BASED ON THE WAY THE RFA WAS
12 WRITTEN, THE 20-PERCENT MATCH WAS ADEQUATE ACROSS THE
13 BOARD. IF YOU DID MORE THAN 20 PERCENT, IN THIS
14 PARTICULAR INSTANCE, WE COULD NOT WEIGHT THAT HIGHER.

15 I THINK THAT THERE'S A POLICY DISCUSSION THAT
16 WE'LL NEED TO HAVE AT SOME POINT AS A BOARD FOR THE
17 LARGE FACILITIES OR OTHER FACILITY GRANTS THAT WE DO
18 BECAUSE WE WERE LEFT -- IN THE FACILITIES WORKING
19 GROUP, SOME GAVE 40, SOME GAVE SUBSTANTIALLY MORE THAN
20 THE 20 PERCENT, BUT WE COULD ONLY LOOK AT THE MINIMUM
21 BECAUSE THAT'S ALL THE RFA ASKED FOR.

22 HISTORICAL PERFORMANCE, ZERO TO 10 POINTS.

23 RESPONSIVENESS TO THE RFA, ZERO TO 15 POINTS.

24 WE HAVE THE HISTOGRAM FOR THE FACILITIES
25 TECHNICAL SCORE, AND WE DREW THE LINE AT 73.

1 RECOMMENDED A GREAT DEAL MORE FOR FUNDING IN BOTH THE
2 GRANTS WORKING GROUP AND THE FACILITIES WORKING GROUP.
3 WE DID NOT PUT IN PLACE A TIER 2, WHICH IS RECOMMENDED
4 FOR FUNDING IF FUNDS ARE AVAILABLE, BECAUSE IN NO
5 INSTANCE WERE WE PRESENTED WITH THAT DILEMMA. THERE
6 WAS NEVER A QUESTION OF ENOUGH FUNDS BEING AVAILABLE.
7 USUALLY WE HAVE A SHORTFALL. WE HAVE MANY MORE
8 APPLICATIONS THAN WE CAN POSSIBLY FUND. IN THIS
9 PARTICULAR INSTANCE, THERE WAS NEVER A QUESTION THAT IF
10 IT WAS APPROVED THAT THE FUNDING WAS AVAILABLE PER THE
11 AMOUNT OF FUNDS THAT HAD BEEN APPROVED ALREADY BY THE
12 ICOC.

13 SO THAT GIVES YOU, AGAIN, THE RANK ORDER.
14 AND, AGAIN, THE TOP ONE, 500-1, PROBABLY SHOULD BE IN
15 THE OTHER TIER. WE HAVE A REAL STRONG SET OF
16 APPLICATIONS THAT WERE SCORED STRONGLY BY BOTH WORKING
17 GROUPS, AND WE ALSO HAVE A PRETTY CLEAR GROUP AT THE
18 BOTTOM WHO WERE NOT APPROVED BY EITHER WORKING GROUP.

19 AND THEN WE DO HAVE RANK ORDER IF YOU WANT TO
20 LOOK AT THAT BY FACILITIES SCORES. I PERSONALLY THINK
21 THAT THE GRANTS WORKING GROUP SCORE IS MAYBE A LITTLE
22 BIT BETTER WAY TO LOOK AT IT. IT'S IN THE BINDER.

23 I THINK THAT'S IT. TAMAR IS UP. WE'RE KIND
24 OF RUNNING THROUGH THIS BECAUSE WE'RE A LITTLE
25 COMPRESSED ON TIME.

1 CHAIRMAN KLEIN: ALL RIGHT. THANK YOU VERY
2 MUCH, JEFF.

3 IN LOOKING AT OUR CHOICES HERE FOR THIS
4 PRELIMINARY SORTING, WHICH, AGAIN, CAN BE FULLY
5 RATIFIED TOMORROW OR FULLY REVERSED TOMORROW WHEN THE
6 FINAL VOTES ARE TAKEN --

7 DR. BALTIMORE: WHY ARE WE DOING FINAL VOTES
8 TOMORROW RATHER THAN TODAY?

9 CHAIRMAN KLEIN: BECAUSE WE HAVE A QUORUM
10 TOMORROW.

11 DR. BALTIMORE: WE DON'T HAVE A QUORUM NOW?

12 CHAIRMAN KLEIN: WE DON'T HAVE A FULL QUORUM
13 AT THIS POINT. WE HAVE SOME PEOPLE THAT WERE SUPPOSED
14 TO BE HERE AND ARE EITHER ON THEIR WAY OR NOT HERE YET.

15 OKAY. IF WE LOOK AT THE RECOMMENDATIONS FROM
16 BOTH GROUPS, JEFF SHEEHY HAS POINTED OUT THAT THERE
17 ARE, I BELIEVE, 11 PLUS THE MODIFICATION OF THE ONE
18 ITEM IN TIER 2, 12 APPLICATIONS WHERE THERE'S A
19 RECOMMENDATION FROM BOTH WORKING GROUPS FOR FUNDING.
20 IS THAT A CORRECT STATEMENT?

21 MR. SHEEHY: YES.

22 CHAIRMAN KLEIN: THE BOARD HAS HAD AN ABILITY
23 TO READ THE APPLICATIONS THAT HAVE BEEN PRESENTED AS
24 HAS THE PUBLIC HAD THE BENEFIT OF HAVING THEM POSTED.
25 DO YOU HAVE A RECOMMENDATION AT THIS POINT ON MOVING

1 THOSE 12 INTO A FUNDED CATEGORY PRELIMINARILY?

2 MS. PACHTER: MAYBE WE WANT TO GO THROUGH THE
3 PROCESS FOR CONSIDERATION.

4 CHAIRMAN KLEIN: THAT'S RIGHT. IN FACT,
5 SINCE HE HAS A CONFLICT, HE CAN'T MAKE THAT MOTION. SO
6 LET'S GO THROUGH THAT PROCESS.

7 MS. PACHTER: I'M VERY PLEASED TO BE HERE FOR
8 MY FIRST ICOC MEETING AS CIRM'S GENERAL COUNSEL. AND
9 IT'S NICE TO SEE SO MANY OF YOU HERE WHO I'VE SEEN
10 BEFORE, AND HOPEFULLY I'LL HAVE AN OPPORTUNITY TO MEET
11 THE REST OF YOU TODAY OR TOMORROW. WE'RE VERY BUSY,
12 BUT I WILL TRY TO GET IN AND SAY HELLO.

13 I WANTED TO MOVE YOU VERY QUICKLY THROUGH A
14 PROCESS THAT WE'VE DESIGNED FOR MOVING THROUGH
15 CONSIDERATION OF THESE APPLICATIONS. IT WILL BE
16 LARGELY FAMILIAR TO YOU FROM CONSIDERATION OF THE SEED
17 AND COMPREHENSIVE GRANTS WITH A LITTLE TWIST. WE'RE
18 TRYING TO LIMIT THE AMOUNT OF TIME YOU SPEND IN CLOSED
19 SESSION BECAUSE YOUR TIME OVERALL FOR CONSIDERATION IN
20 THIS MEETING IS SO ABBREVIATED THIS TIME.

21 BUT THIS PROCESS WILL ALLOW FOR FULL EXERCISE
22 OF YOUR DISCRETION AND FOR A CLOSED-SESSION REVIEW AND
23 WILL ALSO ALLOW A MAXIMUM NUMBER OF MEMBERS TO VOTE ON
24 EACH APPLICATION WHILE MAKING SURE THAT THE CONFLICTS
25 OF INTEREST RULES ARE FULLY OBSERVED.

1 STAFF HAS PROVIDED EACH OF YOU WITH A LIST OF
2 APPLICATIONS AS TO WHICH YOU ARE RECUSED, SO YOU WILL
3 KNOW IN ADVANCE THE APPLICATIONS YOU SHOULD NOT
4 PARTICIPATE IN DISCUSSION AND VOTING. AND AS THE CHAIR
5 HAS ALREADY POINTED OUT, ALSO SHOULD NOT MOVE OR SECOND
6 ANY MOTIONS WITH RESPECT TO THOSE APPLICATIONS THAT
7 APPEAR ON YOUR LIST.

8 FOR AN OVERVIEW, THERE ARE TWO PIECES TO THIS
9 RFA, THE SHARED LABS AND THE TECHNIQUES COURSE. AND AS
10 STAFF, WE HAVE COME UP WITH A PITHY WAY TO DESCRIBE
11 YOUR REVIEW, WHICH IS NO LAB, NO COURSE. SO YOU'RE
12 GOING TO VOTE ON THE SHARED LABS FIRST, AND ONLY THOSE
13 APPLICANTS THAT ARE APPROVED A SHARED LAB WILL YOU
14 CONSIDER FOR A TECHNIQUES COURSE. SO REMEMBER THAT:
15 NO LAB, NO COURSE.

16 IN YOUR BINDERS YOU'VE SEEN A VERSION OF THAT
17 SLIDE THAT JEFF JUST DISCUSSED. STAFF HAS COMBINED THE
18 RESULTS OF THE GRANTS WORKING GROUP AND FACILITIES
19 WORKING GROUP ON A SINGLE TABLE SO THAT YOU CAN SEE THE
20 THREE CATEGORIES OF APPLICATIONS. AND HERE THEY'RE
21 RANKED IN RANK ORDER AS THE GRANTS WORKING GROUP SCORED
22 THEM. AND WE'RE GOING TO USE THIS FOR A STARTING POINT
23 FOR DISCUSSION PURPOSES.

24 NOW, WHAT HAPPENED IN THE WORKING GROUPS, I
25 DON'T REMEMBER, MEMBER SHEEHY, IF YOU DISCUSSED THIS,

1 BUT THE WORKING GROUPS ONLY ENDED UP WITH TWO TIERS, TO
2 FUND OR NOT TO FUND. AND THAT'S WHAT'S GOING TO HAPPEN
3 IN YOUR REVIEW AS WELL. YOU ARE GOING TO MOVE
4 EVERYTHING EITHER INTO A TO-FUND CATEGORY OR A
5 NOT-TO-FUND CATEGORY. THERE WILL BE NO MIDDLE
6 CATEGORY.

7 CURRENTLY BEFORE YOU IN TIER 1 ARE THE
8 APPLICATIONS AS TO WHICH BOTH THE GRANTS AND FACILITIES
9 WORKING GROUP AGREED THAT THESE APPLICATIONS SHOULD BE
10 FUNDED. IN TIER 2 ARE THE MIXED RECOMMENDATIONS WHERE
11 THEY DIVERGED. IN TIER 3 ARE THOSE APPLICATIONS THAT
12 BOTH WORKING GROUPS AGREED SHOULD NOT BE FUNDED AT THIS
13 TIME.

14 SO WHAT'S GOING TO HAPPEN AT THE BEGINNING,
15 TO MINIMIZE CLOSED-SESSION TIME, IS STAFF IS GOING TO
16 ASK YOU TO LOOK AT THE APPLICATIONS THAT ARE BEFORE YOU
17 AND IDENTIFY THOSE FOR WHICH YOU NEED MORE INFORMATION,
18 AND YOU NEED THAT INFORMATION IN CLOSED SESSION. AND
19 WE'RE GOING TO PUT THOSE APPLICATIONS ASIDE AND DELAY
20 THEM UNTIL WE HAVE AN OPPORTUNITY FOR A CLOSED SESSION
21 TOMORROW. THEN WE'RE GOING TO MOVE ON TO DISCUSS THOSE
22 APPLICATIONS THAT DON'T NEED TO BE DISCUSSED IN THE
23 CLOSED SESSION.

24 AND FOR STEP 1, WE'RE GOING TO LOOK AT TIER
25 1, THOSE APPLICATIONS IN TIER 1, AND ENTERTAIN MOTIONS

1 ON AN INDIVIDUAL BASIS BY APPLICATION TO MOVE ANY OF
2 THOSE APPLICATIONS OUT OF THE TIER 1, WHICH IS A
3 TO-FUND CATEGORY, INTO TIER 3, WHICH IS A
4 NOT-TO-FUND-AT-THE TIME CATEGORY. WE'LL MOVE ON TO
5 TIER 2 AND TAKE THOSE APPLICATIONS IN ORDER
6 INDIVIDUALLY AND ENTERTAIN MOTIONS TO MOVE THEM EITHER
7 INTO TIER 1 OR INTO TIER 3. AND FINALLY, IN STEP 3
8 WE'LL LOOK AT TIER 3 AND ENTERTAIN CONSIDERATION OF
9 MOVING THOSE INTO TIER 1, INTO A TO-FUND CATEGORY.

10 CHAIRMAN KLEIN: COUNSEL, IF WE CAN STOP
11 THERE FOR A SECOND. IF NO ONE HAS A MOTION TO MOVE
12 ANYTHING OUT OF TIER 1 FOR FUNDING.

13 MS. PACHTER: THEY WILL REMAIN IN TIER 1. AT
14 THE VERY END, ONCE THE MEMBERS HAVE COMPLETED ALL THE
15 DISCUSSION AND MOVING MOTIONS FROM TIER TO TIER, WE
16 WILL VOTE AS A BLOCK TO FUND OR NOT TO FUND TIER 1, AND
17 VOTE AS A BLOCK TO FUND OR NOT TO FUND THOSE IN TIER 3.

18 CHAIRMAN KLEIN: IN THAT MOTION WE'LL NEED
19 SOMEONE TO MAKE THE MOTION WHO DOESN'T HAVE A
20 CONFLICT --

21 MS. PACHTER: ABSOLUTELY.

22 CHAIRMAN KLEIN: -- WITH ANY OF THE
23 APPLICATIONS IN THAT TIER.

24 MS. PACHTER: ABSOLUTELY.

25 CHAIRMAN KLEIN: SECOND IS GOVERNED BY THE

1 SAME RULE.

2 MS. PACHTER: SO I'M GOING TO STOP THERE
3 BECAUSE I THINK THAT'S ALL REALISTICALLY YOU'RE GOING
4 TO BE ABLE TO GET THROUGH TONIGHT. AND THEN TOMORROW,
5 WHEN OTHER MEMBERS ARRIVE, WE WILL RECAP AND GO THROUGH
6 THE REST OF THE PROCESS. BUT YOU NEED AN OPPORTUNITY
7 TO START LOOKING AT THESE APPLICATIONS TONIGHT BEFORE
8 YOU ADJOURN TO CLOSED SESSION.

9 ARE THERE ANY QUESTIONS ON THAT MUCH?

10 DR. BALTIMORE: THE LIST OF GRANTS ON WHICH I
11 AM -- FROM WHICH I AM RECUSED INCLUDES A BUNCH THAT
12 DON'T MAKE ANY SENSE TO ME BECAUSE THEY INVOLVE
13 INSTITUTIONS THAT I DON'T, AT LEAST, RECOGNIZE THAT I
14 HAVE A CONFLICT WITH. AND I'M CURIOUS WHAT THE ORIGIN
15 OF THIS IS.

16 MS. PACHTER: I THINK MOST PEOPLE WILL FIND
17 THAT THEY'RE RECUSED IN MORE SITUATIONS THAN THEY HAVE
18 IN THE PAST, AND THAT'S BECAUSE, IN THE CONTEXT OF THIS
19 RFA FOR SHARED LABS, THE APPLICANTS WERE ASKED TO
20 IDENTIFY POTENTIAL COLLABORATORS. AND SO YOU WERE --
21 YOU HAVE A CONFLICT IF YOU HAVE A CONFLICT WITH A
22 LISTED COLLABORATOR WHO MAY NOT BE, IN FACT, DIRECTLY
23 IDENTIFIED WITH THE INSTITUTION WHO IS THE APPLICANT.
24 AND THAT MAY EXPLAIN IT. IF YOU THINK THAT DOESN'T
25 EXPLAIN IT, PLEASE COME BRING IT TO US AND WE'LL FIGURE

1 IT OUT.

2 DR. BALTIMORE: I DON'T CARE A WHOLE LOT, BUT
3 I JUST WANTED AN EXPLANATION.

4 MS. PACHTER: I THINK IN MOST CASES THAT WILL
5 EXPLAIN IT. IF IT DOESN'T, YOU SHOULD LET US KNOW
6 BECAUSE WE'D LIKE YOU VOTE ON AS MANY APPLICATIONS AS
7 YOU CAN.

8 CHAIRMAN KLEIN: ALL RIGHT. COUNSEL, THANK
9 YOU VERY MUCH.

10 SO OUR SEQUENCE OF REVIEW AT THIS POINT WILL
11 FOLLOW THE PROTOCOL COUNSEL JUST OUTLINED. DOES ANYONE
12 HAVE A MOTION TO MOVE ANYTHING OUT OF THE TIER 1 AS
13 IDENTIFIED?

14 MR. ROTH: BOB, I DON'T HAVE A MOTION YET ON
15 THAT. COULD WE SEE TIER 1 AND TIER 2?

16 MS. PACHTER: I THINK WE FIRST WANT TO
17 IDENTIFY ANY APPLICATIONS THAT YOU HAVE QUESTIONS ABOUT
18 THAT YOU MAY WANT TO REVIEW IN CLOSED SESSION TOMORROW
19 SO THAT STAFF CAN BE PREPARED WITH THE INFORMATION
20 REQUIRED FOR THOSE APPLICATIONS.

21 CHAIRMAN KLEIN: WELL, WE'RE GOING TO DEAL
22 WITH THAT LATER IN THIS PROCESS BEFORE WE ADJOURN.

23 MR. ROTH: WHAT I WANTED TO --

24 MS. PACHTER: YOU MAY BE DISCUSSING
25 APPLICATIONS THAT YOU ARE GOING TO HAVE TO DISCUSS

1 AGAIN.

2 CHAIRMAN KLEIN: THAT'S FINE.

3 MR. ROTH: BOB, WHAT I WANTED TO CLARIFY WAS
4 THE DIFFERENCE BETWEEN WHAT JEFF SAID WAS TIER 1 AND
5 TIER 2 SO WE KNOW WHAT TIERS WE'RE STARTING OUT WITH.
6 BECAUSE I'M CURIOUS WHY THAT GRANT, WHICH APPEARS TO
7 SCORE WELL WITHIN THE RANGE OF BOTH THE WORKING GROUP
8 AND THE FACILITIES GROUP, IS NOT SHOWN IN TIER 1.

9 MR. SHEEHY: THAT'S EXHAUSTION. I LOOKED AT
10 THIS AND I JUST REALIZED WHEN THESE WERE ORIGINALLY PUT
11 TOGETHER, THEY INCLUDED THE TECHNIQUES COURSE. SO IT
12 WAS IN TIER 2 BECAUSE THE TECHNIQUES SCORES DID NOT
13 SCORE HIGHLY. AND WE SHOULD HAVE CORRECTED THAT, BUT
14 TOO MANY MEETINGS.

15 DR. CHIU: MAY I ADDRESS THAT QUESTION? I
16 THINK PART OF THE CONFUSION IS WHEN WE RANKED THESE IN
17 PROGRAMMATIC REVIEW, WE USED THE TERMINOLOGY TIER 1, 2,
18 AND 3 TO IDENTIFY THOSE THAT WERE RECOMMENDED FOR
19 FUNDING, THOSE RECOMMENDED IF FUNDS WERE AVAILABLE, AND
20 THOSE NOT RECOMMENDED. AND IT MIGHT BE CONFUSING
21 BECAUSE WE ALSO USED THE TERMS TIER 1 AND 2 NOW FOR
22 SOMEWHAT SLIGHTLY DIFFERENT MEANINGS.

23 RIGHT NOW, TODAY, WE'RE USING TIER 1 AS THOSE
24 WHERE BOTH THE GRANTS AND THE FACILITIES WORKING GROUP
25 RECOMMENDED FOR FUNDING, IN TIER 3 WHERE BOTH DID NOT

1 RECOMMEND FOR FUNDING. YOU CAN CONSIDER IT CATEGORY A
2 AND CATEGORY C IF THAT'S LESS CONFUSING. AND THE
3 MIDDLE GROUP, THEY'RE EITHER RECOMMENDED FOR FUNDING BY
4 ONE OR THE OTHER, BUT NOT BY BOTH. SO THERE WERE MIXED
5 RECOMMENDATIONS. THAT'S ALL.

6 CHAIRMAN KLEIN: DR. CHIU, THE SPECIFIC
7 QUESTION GOES HERE IS THAT THE ONE APPLICATION, THE TOP
8 OF WHAT IS NOW LISTED AS TIER 2, AS JEFF SHEEHY SAID,
9 IS THERE BECAUSE, EVEN THOUGH BOTH GROUPS AGREED ON THE
10 SCIENTIFIC SCORE AND THE FACILITIES SCORE WITHIN THE
11 RECOMMENDED RANGE, IT DIDN'T HAVE A TECHNIQUES COURSE
12 WITHIN THE RECOMMENDED RANGE.

13 DR. CHIU: IF YOU LOOK AT THE SHEET, THE BLUE
14 AND YELLOW SHEET IN YOUR BOOK.

15 MR. ROTH: FOR SOME REASON I'M MISSING THAT
16 SHEET. IT DIDN'T GET IN MY BOOK. THAT'S WHY I WAS
17 TRYING TO GET IT BACK UP HERE.

18 MR. SHEEHY: MAYBE --

19 DR. CHIU: IF YOU LOOK AT THAT SHEET.

20 MR. ROTH: I DID THEM ALL MANUALLY.

21 DR. CHIU: IF YOU LOOK AT THAT SHEET, AND YOU
22 LOOK AT APPLICATION NO. 500-1, LOOK ACROSS THAT ARE ALL
23 BLACK MARKS, WHICH ARE GOOD, EXCEPT FOR ONE NR.

24 MR. ROTH: I UNDERSTAND. THE ONE THAT WAS UP
25 HERE, THIS ONE IS DIFFERENT.

1 DR. CHIU: THIS ONE DOES NOT SHOW THE SCORE
2 FOR THE COURSE. IT'S THE SAME SHEET, BUT MINE IS THE
3 COURSE. THAT'S THE ONLY CONFUSION. APOLOGIZE FOR NOT
4 MOVING THEM.

5 DR. HENDERSON: I WANT TO COMMEND THE REVIEW
6 GROUPS FOR THIS SPECTACULAR JOB OF REVIEW, BOTH GROUPS,
7 AND TO JEFF SHEEHY FOR HIS FINE PRESENTATION. I
8 ACTUALLY FEEL QUITE COMFORTABLE WITH TIER 1 AND WITH
9 INCLUDING THE TOP GRANT IN TIER 2 AS THOSE THAT WE
10 FUND. AND I WOULD MAKE THAT RECOMMENDATION FOR
11 FUNDING.

12 CHAIRMAN KLEIN: HE WAS NOT MAKING A MOTION.
13 THEREFORE, WE ARE FINE WITH THE RECOMMENDATION. AND
14 I'M CERTAIN YOUR RECOMMENDATION WAS EXCEPT FOR THOSE
15 WITH WHICH YOU MIGHT HAVE A CONFLICT.

16 DR. HENDERSON: RIGHT.

17 DR. WRIGHT: I, ON THE OTHER HAND, MIGHT MAKE
18 A MOTION TO THAT EFFECT, WHICH IS TO FUND THOSE THAT
19 ARE LISTED AS TIER 1 AND THE FIRST ONE THAT'S LISTED AS
20 TIER 2, THAT WE WOULD MOVE THAT INTO TIER 1 AND APPROVE
21 THOSE FOR FUNDING.

22 MR. ROTH: I'LL SECOND.

23 CHAIRMAN KLEIN: DUANE ROTH IS THE SECOND.
24 THAT'S DR. WRIGHT AS THE PRIMARY MOTION, AND DUANE ROTH
25 AS THE SECOND. ALL RIGHT.

1 DISCUSSION OF THE MOTION THAT IS BEFORE US?
2 PEOPLE MUST HAVE DONE THEIR HOMEWORK AND REVIEWED THE
3 MATERIALS IN-DEPTH.

4 I'D LIKE TO SEE IF THERE'S A PUBLIC
5 DISCUSSION OF THIS PRELIMINARY MOTION? REMEMBER,
6 AGAIN, I'M GOING TO CALL FOR PUBLIC COMMENT BEFORE
7 THERE'S A VOTE TOMORROW AS WELL BECAUSE AT THAT POINT
8 WE'LL HAVE MORE INFORMATION, AND WE WILL TAKE A FORMAL
9 VOTE AT THAT TIME.

10 SEEING NO PUBLIC COMMENT, I'D LIKE TO CALL
11 THE QUESTION. AND I'D LIKE A ROLL CALL VOTE, AND
12 PLEASE REMEMBER WHEN YOU STATE WHICH WAY YOU'RE VOTING,
13 YOU WILL NEED TO ALSO STATE EXCEPT FOR THOSE FOR WHICH
14 YOU ARE RECUSED OR FOR WHICH YOU ABSTAIN IN THE VOTE.
15 ANY ADDITIONAL, COUNSEL?

16 MS. PACTER: NO. OTHER THAN -- NO. YOU'RE
17 PROBABLY GOING TO ADD TO THAT TIER, BUT YOU CAN DO THAT
18 SUBSEQUENTLY.

19 CHAIRMAN KLEIN: RIGHT. WE CAN DO IT
20 INCREMENTALLY DEPENDING ON OUR MOVEMENT. ROLL CALL.

21 MS. KING: DAVID BALTIMORE.

22 DR. BALTIMORE: YES, EXCEPT FOR WHERE I'M NOT
23 ALLOWED.

24 MS. KING: ROBERT PRICE.

25 DR. PRICE: YES, EXCEPT FOR THOSE

1 APPLICATIONS WITH WHICH I HAVE A CONFLICT AND,
2 THEREFORE, RECUSE MYSELF.

3 MS. KING: DAVID BRENNER.

4 DR. BRENNER: APPROVE EXCEPT FOR THOSE WHICH
5 I'M RECUSED.

6 MS. KING: SUE DUCKLES.

7 DR. DUCKLES: I APPROVE EXCEPT FOR THOSE IN
8 WHICH I AM RECUSED.

9 MS. KING: BRIAN HENDERSON.

10 DR. HENDERSON: APPROVE EXCEPT FOR THOSE
11 WHERE I'M RECUSED.

12 MS. KING: BOB KLEIN.

13 CHAIRMAN KLEIN: APPROVED.

14 MS. KING: SHERRY LANSING.

15 MS. LANSING: APPROVED EXCEPT FOR THOSE IN
16 WHICH I AM RECUSED.

17 MS. KING: LEONARD ROME.

18 DR. ROME: APPROVED EXCEPT FOR THOSE FOR
19 WHICH I AM RECUSED.

20 MS. KING: CLAIRE POMEROY.

21 DR. POMEROY: APPROVE EXCEPT FOR THOSE FOR
22 WHICH I AM RECUSED.

23 MS. KING: FRANCISCO PRIETO.

24 DR. PRIETO: APPROVED.

25 MS. KING: DUANE ROTH.

1 MR. ROTH: YES.

2 MS. KING: JEFF SHEEHY.

3 MR. SHEEHY: APPROVED EXCEPT FOR THOSE WITH

4 WHICH I HAVE A CONFLICT.

5 MS. KING: OSWALD STEWARD.

6 DR. STEWARD: YES, EXCEPT FOR THOSE FOR WHICH

7 I'M RECUSED.

8 MS. KING: JANET WRIGHT.

9 DR. WRIGHT: YES.

10 MS. PACHTER: AND, DR. PENHOET, DID WE SKIP

11 YOU?

12 MS. KING: THANK YOU. WE DID. ED PENHOET.

13 DR. PENHOET: YES, EXCEPT THOSE WITH WHICH I

14 HAVE A CONFLICT.

15 CHAIRMAN KLEIN: OKAY. THANK YOU. THE

16 PRELIMINARY MOTION, I TAKE IT, PASSES. THIS IS JUST

17 FOR PRELIMINARY PURPOSES.

18 NOW, WE DO HAVE A MINORITY REPORT, AND THE

19 BOARD MAY WISH TO CONSIDER THE MINORITY REPORT FOR

20 PROPRIETARY INFORMATION IN EXECUTIVE SESSION IN

21 ADDITION TO ANY OTHER APPLICATIONS THEY WANT TO

22 CONSIDER IN EXECUTIVE SESSION. THE BOARD MAY WISH TO

23 ADDRESS THE MINORITY REPORT NOW OR ANY OTHER ITEM NOW

24 WITHOUT EXECUTIVE SESSION.

25 WHAT IS THE SENSE OF THE BOARD AS TO, FIRST,

1 ADDRESSING THE QUESTION OF THE MINORITY REPORT?

2 MR. ROTH: WHICH GRANT?

3 CHAIRMAN KLEIN: IT'S 506-1. IT MIGHT BE
4 MOST EFFICIENT IF WE WERE, BECAUSE OF PROPRIETARY
5 INFORMATION IN A NUMBER OF THESE, JUST TO CONSIDER ANY
6 OF THE OTHER APPLICATIONS IN EXECUTIVE SESSION SO THAT
7 WE CAN COVER PROPRIETARY INFORMATION AND THEN GO
8 THROUGH THEM SEQUENTIALLY ALL AT ONE TIME.

9 MR. SHEEHY: ACTUALLY I WAS GOING TO MOVE,
10 AND THIS IS FOR THE PURPOSES OF DISCUSSION RATHER THAN
11 TO PREDICT MY VOTE, BUT 521, WHICH SCORED WELL ON
12 SCIENCE, BUT DID NOT SCORE WELL ON FACILITIES, I WOULD
13 LIKE TO MOVE THAT INTO TIER 1 SO THAT WE DISCUSS IT
14 BECAUSE GIVEN THAT THE DEFICIT IS ON THE FACILITIES
15 SIDE, WHICH IS ALL PUBLIC RECORD, I THINK THAT WE CAN
16 PROBABLY DISCUSS THAT. AND IT PROBABLY MAKES MORE
17 SENSE TO DISCUSS THAT IN OPEN SESSION BECAUSE THERE'S
18 NOW -- AND THAT ALLOWS US TO DISCUSS HOW WE WANT TO
19 RELATIVELY WEIGHT THESE TWO DIFFERENT SCORES.

20 CHAIRMAN KLEIN: SO BASICALLY THE ISSUE
21 YOU'RE ADDRESSING THERE IS THERE'S NO PROPRIETARY
22 INFORMATION INVOLVED IN THE LOWER FACILITIES SCORE;
23 AND, THEREFORE, IT'S AN ITEM WE COULD PICK UP
24 IMMEDIATELY.

25 DR. WRIGHT: I'LL SECOND THAT.

1 CHAIRMAN KLEIN: ALL RIGHT. SO IF WE
2 COULD --

3 MS. PACHTER: JUST WANTED TO ANNOUNCE THE
4 CONFLICTS FOR THIS APPLICATION, WHICH IS 521-1, ARE
5 MEMBERS FONTANA AND LANSING.

6 CHAIRMAN KLEIN: MEMBERS FONTANA AND LANSING.
7 OKAY. SO IF PERHAPS, DR. CHIU, YOU COULD ADDRESS THE
8 SCIENTIFIC SCORE OR WOULD YOU LIKE TO HAVE --

9 DR. CHIU: KUMAR HARI WILL BE ADDRESSING.

10 DR. KUMAR: JUST AS A REMINDER, APPLICATION
11 521 RECEIVED A SCORE OF 81 FROM THE GRANTS REVIEW
12 WORKING GROUP AND WAS NOT RECOMMENDED WITH A SCORE OF
13 52 FROM THE FACILITIES WORKING GROUP.

14 FROM THE GRANTS REVIEW WORKING GROUP, TO
15 SYNOPSISIZE THE PROPOSAL, HUMAN EMBRYONIC STEM CELL
16 RESEARCH AT THIS INSTITUTION IS NEW AND GROWING. THERE
17 ARE 25 RESEARCH GROUPS THAT ARE REPRESENTED IN THE
18 APPLICATION, 12 OF WHOM ARE CURRENTLY USING A VERY
19 CRAMPED 500 SQUARE FOOT SPACE.

20 THE APPLICANTS PROPOSE THE CREATION OF A
21 COMMON LAB WITH FOUR WELL-EQUIPPED, NEARLY
22 SELF-SUFFICIENT WORK STATIONS FOR CELL MANIPULATION AND
23 CULTURE, AND THERE WILL ALSO BE A SEPARATE SUPPORT LAB
24 FOR MAINTENANCE, QC, AND STORAGE OF MASTER EMBRYONIC
25 STEM CELL STOCK, AND A MICROSCOPE ROOM WITH INVERTED

1 AND STANDARD FLORESCENT SCOPES.

2 THE PROGRAM DIRECTOR AND MEMBERS OF THE
3 OVERSIGHT COMMITTEE WERE THE DRIVING FORCE BEHIND
4 OBTAINING THE CURRENT 500 SQUARE FOOT SPACE AND ARE
5 HERE COLLABORATING AGAIN ON THIS PROJECT. THEY HAVE
6 RECENTLY RECRUITED A VERY WELL-KNOWN PIONEER IN THE
7 HUMAN EMBRYONIC STEM CELL FIELD TO ESTABLISH A
8 SATELLITE LAB AT THE INSTITUTION, AND THIS IS IMPORTANT
9 AND REVIEWERS FELT THAT THIS PERSON COULD EVEN HAVE
10 BEEN USED MORE EFFECTIVELY WITHIN THE APPLICATION.

11 WITH RESPECT TO THE QUALITY AND IMPACT OF THE
12 SCIENCE, THE STRENGTHS ARE THAT THE INSTITUTION HAS A
13 STRONG BASIC SCIENCE GROUP STUDYING ADULT AND NEURAL
14 PULMONARY AND RETINAL STEM/PROGENITOR CELLS. THERE'S
15 ALSO BASIC WORK ON NEMATODE GERM LINE STEM CELLS
16 ONGOING AT THE INSTITUTION.

17 THERE ARE THREE MAJOR AREAS OF RESEARCH,
18 INCLUDING MOLECULAR MECHANISMS, TRANSLATIONAL
19 BIOENGINEERING, AND REGENERATIVE MEDICINE. AND THERE'S
20 A REAL STRONG SENSE OF INTERACTION AND COLLABORATION
21 ACROSS MULTIPLE FIELDS OF THIS INSTITUTION.

22 THE PROGRAM DIRECTOR IS A SENIOR PRINCIPAL
23 INVESTIGATOR WHO IS A DEPARTMENT CHAIR AT THE HOME
24 INSTITUTION AND IS CONSIDERED TO BE A VERY PRODUCTIVE
25 SCIENTIST. OTHER USERS ARE ALSO HIGHLY PRODUCTIVE WITH

1 NOTABLE CONTRIBUTIONS IN THEIR RESPECTIVE FIELDS, AND
2 THEY ARE ALL WELL FUNDED FROM MAJOR GRANTING
3 INSTITUTIONS.

4 THE WEAKNESSES WITH RESPECT TO THE QUALITY
5 AND IMPACT OF THE SCIENCE ARE THAT WHILE THERE ARE A
6 NUMBER OF INVESTIGATORS WHO SEEM TO BE INVOLVED IN VERY
7 EARLY STAGES OF HUMAN EMBRYONIC STEM CELL WORK, THERE
8 DOES NOT APPEAR TO BE ANY PUBLISHED WORK FROM THEM IN
9 THE HESC FIELD. THIS IS SOMEWHAT OFFSET BY THE NOTABLE
10 RECRUITMENT WHO WILL BRING A STRONG RESEARCH PRESENCE
11 AND EXPERTISE THAT IS RELEVANT TO EMBRYONIC STEM CELL
12 GROWTH AND DIFFERENTIATION AS WELL AS BIOENGINEERING.

13 ANOTHER MAJOR WEAKNESS OF THE APPLICATION IS
14 THE LACK OF STRONG PROJECTS FROM NEIGHBORING
15 INSTITUTIONS WHICH THEMSELVES ARE PRIMARILY TEACHING
16 INSTITUTIONS. AND A MINOR POINT, THERE'S NO CLEAR
17 ARGUMENT IN THE APPLICATION FOR THE NEED TO USE
18 NONAPPROVED EMBRYONIC STEM CELL LINES.

19 CHAIRMAN KLEIN: I THINK THAT, GIVEN THE
20 RELATIVELY HIGH SCORE, THAT GIVES US A SUFFICIENT
21 SCIENTIFIC SUMMARY UNLESS THE MEMBERS WOULD LIKE
22 ADDITIONAL. AND WE COULD AT THIS POINT TURN PERHAPS TO
23 REVIEW ON THE FACILITIES SCORE UNLESS I SEE OBJECTION.

24 DR. KUMAR: MAYBE ONE COMMENT ABOUT THE
25 INSTITUTION WITH RESPECT TO THE MANAGEMENT PLAN. THE

1 SCIENTIFIC REVIEWERS DID POINT OUT THAT THERE WAS VERY
2 CLEAR SUPPORT FROM THE HOME INSTITUTION WITH RESPECT TO
3 NOT ONLY PROVIDING FUNDS FOR THE NEW RECRUITMENT, BUT
4 ALSO PROVIDING, I THINK IT'S, 3.5 MILLION FROM DONORS
5 IN THE AREA.

6 CHAIRMAN KLEIN: OKAY. SO BEFORE HEARING
7 FROM THE BOARD MEMBERS, RICK, IF YOU COULD PROVIDE A
8 SUMMARY OF THE REASONS FOR THE LOWER FACILITIES SCORE.

9 MR. KELLER: THE REQUEST WAS FOR A \$1 MILLION
10 OF CIRM FUNDING FOR CONSTRUCTION WITH \$200,000 MATCHING
11 FUNDS, \$469,000 PROPOSED FOR GROUP TWO EQUIPMENT.

12 THE CIRCUMSTANCE HERE ON THIS PARTICULAR
13 REQUEST IS THAT THE FACILITY IS LOCATED IN A VERY HIGH
14 COST AREA OF THE STATE. AND THE PROPOSED PROJECT IS
15 ONE THAT I WOULD CHARACTERIZE AS A BASICALLY TEAR
16 EVERYTHING DOWN TO THE BARE WALLS. SO IT BASICALLY
17 INVOLVES TAKING OUT AN EXISTING LABORATORY OF
18 CONVENTIONAL DESIGN WITH ISLANDS AND REPLACING IT WITH
19 ONE THAT INCLUDES MODULAR ALCOVES OR WORK STATIONS,
20 WHICH WAS A VERY INNOVATIVE -- FELT TO BE A VERY
21 INNOVATIVE DESIGN.

22 HOWEVER, THAT DESIGN REQUIRES EXTENSIVE
23 ABATEMENT OF ASBESTOS MATERIALS. IT REQUIRES 19 MONTHS
24 OF CONSTRUCTION. SO THOSE TWO ISSUES BASICALLY ARE A
25 FACT THAT BY VIRTUE OF THE EXTENSIVE AMOUNT OF WORK TO

1 BE DONE IN THIS RELATIVELY SMALL LABORATORY, IT WAS
2 VIEWED AS A VERY HIGH COST. AND BY VIRTUE OF THE FACT
3 THAT WORK REQUIRES ABATEMENT AND OTHER ACTIVITIES, IT
4 WAS VIEWED AS BEING MUCH LONGER IN DURATION THAN THE
5 COMPARABLE PROJECTS. THOSE WERE THE TWO MAJOR ISSUES.

6 CHAIRMAN KLEIN: JEFF, WOULD YOU LIKE TO
7 COMMENT?

8 MR. SHEEHY: I'D JUST LIKE TO SPEAK TO THE
9 COST. IT DOES SEEM LIKE THAT THIS PARTICULAR
10 INSTITUTION, AND I THINK I WAS DISCUSSING THIS WITH
11 MS. HOFFMAN, FROM HER EXPERIENCE AT UC -- SORRY.
12 REFERENCES A SIDEBAR CONVERSATION. IT DOES SEEM TO BE
13 LOCATED IN A PARTICULARLY GEOGRAPHIC PERFECT STORM.
14 IT'S NEAR A VERY HIGH COST AREA, AND IT'S A HIGH COST
15 AREA ITSELF. IT IS NOT NEAR AN AIRPORT. IT DOESN'T
16 HAVE THE TYPE OF SPECIALIZED -- DOESN'T HAVE A LOT OF
17 RESEARCH OR MEDICAL OR THOSE TYPES OF CONTRACTORS
18 AVAILABLE.

19 SO BASICALLY THEY HAVE TO BRING EVERYBODY IN
20 TO DO THE WORK. AND ONE OF THE BIG FACTORS THAT WAS
21 DRIVING THE LOW SCORE WAS THE EXTREMELY HIGH COST. IT
22 DIDN'T SEEM CORRECT RELATIVE TO SOME OF THE OTHER
23 INSTITUTIONS. BUT THERE IS SOME -- I WISH MARCY WAS
24 HERE BECAUSE SHE WAS TALKING ABOUT IT. SHE ACTUALLY
25 BROUGHT IT UP, AND I THINK IF WE REALLY HAD THOUGHT

1 ABOUT IT AT SOME LENGTH, WE MIGHT HAVE SCORED IT A BIT
2 HIGHER. IT'S IN AN EXTREMELY HIGH COST AREA THAT IS A
3 CONFLUENCE OF SEVERAL FACTORS, PART OF WHICH IS THAT
4 THERE REALLY ISN'T ANYBODY THERE THAT DOES THIS KIND OF
5 WORK, AND YOU HAVE TO VIRTUALLY FLY THEM IN TO DO THE
6 WORK. AND THERE'S NOT AN AIRPORT NEARBY. IN OTHER
7 PLACES THERE'S CADRES OR THERE'S INFRASTRUCTURE OF
8 CONTRACTORS THAT ONE CAN RELY ON. IF THERE'S ONE THAT
9 DOES IT, THEY CAN CHARGE YOU OUT THE MOON IN THIS
10 PARTICULAR AREA.

11 IT'S A LITTLE, TO MY MIND, HAVING SAT THROUGH
12 IT, IT WAS A LITTLE SOFTER.

13 CHAIRMAN KLEIN: JUST TO PROVIDE SOME INSIGHT
14 TO MARCY FEIT'S COMMENT, SHE WAS AWARE OF A HOSPITAL
15 CONSTRUCTION JOB GOING ON IN THIS AREA, INDICATED THESE
16 COSTS WERE HIGHLY COMPARABLE TO THAT HOSPITAL
17 CONSTRUCTION JOB THAT WAS GOING ON WITH SIMILAR KINDS
18 OF FACILITIES IN THE AREA. SO SHE FELT THE COSTS WERE
19 NORMALIZED IN THE AREA, ALTHOUGH VERY HIGH IN
20 COMPARISON TO SOME OF THE OTHER INSTITUTIONS.

21 DR. PRIETO: I JUST WONDER WHETHER THE HIGH
22 COST FOR THIS PARTICULAR PROPOSAL IS MITIGATED SOMEWHAT
23 BY THE FACT THAT THEY'VE OFFERED TO COMMIT A
24 SUBSTANTIAL AMOUNT OF THEIR OWN FUND RAISING TOWARDS
25 IT.

1 MR. SHEEHY: AS I MENTIONED, THAT WAS NOT A
2 FACTOR. THE WAY RFA WAS WRITTEN, THAT WE WEREN'T ABLE
3 TO GIVE THE KIND OF WEIGHT TO IT THAT WE MAY WANT TO
4 GIVE IN FUTURE FACILITIES ROUNDS. WE PUT IT OUT WITH A
5 20-PERCENT MINIMUM, AND ANYTHING BEYOND THAT WE
6 COULDN'T, SO TO SPEAK, PUT MORE CHIPS ON THE SCALE TO
7 KIND OF BALANCE OUT WHAT MAY HAVE BEEN OTHER
8 DEFICIENCIES.

9 DR. PRIETO: CAN WE WEIGH IT MORE HEAVILY?

10 CHAIRMAN KLEIN: WE HAVE THE ABILITY TO TAKE
11 THAT INTO CONSIDERATION.

12 MR. SHEEHY: WE CAN DO THAT HERE, BUT WE
13 COULDN'T DO THAT -- WE WERE REALLY BOUND BY THE
14 PARAMETERS OF THE RFA.

15 CHAIRMAN KLEIN: IT'S HIGHLY PREDICTABLE IN
16 THE MAJOR FACILITIES WE'LL COME BACK WITH SOMETHING
17 FOLLOWING THAT TYPE OF RECOMMENDATION, TO LOOK AT
18 LEVERAGE WHEN CONSIDERING HIGH COST AREAS, BECAUSE IT
19 IS HIGHLY RELEVANT WHAT THE INSTITUTION IS COMMITTING.

20 DR. PENHOET: MAY I ASK THE QUESTION A
21 SLIGHTLY DIFFERENT WAY? HOW MUCH FUNCTIONALITY WOULD
22 WE END UP WITH IN THIS INSTITUTION FOR THE SAME PRICE
23 THAT WE'RE PAYING FOR A SIMILAR LAB IN ANOTHER
24 INSTITUTION? IT'S A MILLION AND A HALF DOLLARS. MOST
25 OF THESE ARE MILLION AND A HALF TO \$2 MILLION. IF YOU

1 COMPARE THE END RESULT; I.E., FUNCTIONALITY
2 IRRESPECTIVE OF WHO PAYS FOR IT, WHAT WE GET FOR A
3 MILLION AND A HALF VERSUS WHAT WE GET FOR A MILLION AND
4 A HALF IN COMPARABLE INSTITUTIONS THAT ARE ON THIS
5 LIST. IF YOU LOOK AT IT FROM THAT PERSPECTIVE, IN A
6 SENSE THAT DOES GIVE THEM SOME CREDIT FOR WHATEVER
7 EXTRA THEY'LL INVEST IN THE PROJECT.

8 MR. SHEEHY: I THINK THE OTHER THING IS IS
9 THAT THERE IS SOME SPECIALIZED EXPERTISE, AND THEY HAVE
10 MADE A MAJOR RECRUITMENT. AND WE HAVE BEEN GIVING THEM
11 GRANTS. AND SO THERE IS KIND OF LIKE GIVE THE FOLKS
12 SOME GRANTS, THEY GO OUT AND RECRUIT PEOPLE, THEY HAVE
13 A PARTICULAR AREA OF SPECIALTY THAT'S BEEN RECOGNIZED
14 WITHIN THE GRANTS WORKING GROUP THAT HAS REAL
15 TRANSLATIONAL POSSIBILITIES, WHERE ARE THEY GOING TO DO
16 THEIR RESEARCH IF WE DON'T HELP?

17 DR. POMEROY: FOR THE FACILITIES WORKING
18 GROUP SCORES, I UNDERSTAND PEOPLE HAD A CHANCE TO SORT
19 OF PROVIDE ADDITIONAL INFORMATION. DID THIS
20 INSTITUTION PROVIDE ADDITIONAL INFORMATION WHICH
21 ADDRESSED THIS ISSUE?

22 MR. KELLER: THEY PROVIDED ADDITIONAL
23 INFORMATION FOR THE PARTICULAR ISSUE THAT THE
24 FACILITIES WORKING GROUP LOOKED AT, SUCH AS DID THE
25 APPLICATION INCLUDE A SUFFICIENT COMMITMENT IN THE

1 EVENT OF A COST OVERRUN? WAS THERE SUFFICIENT MATCHING
2 FUNDS, OR WERE THERE ADMINISTRATIVE COSTS? AND THEY
3 ACTUALLY DID ALSO PROVIDE AT LEAST CLARIFICATION, BUT I
4 WANTED TO SHARE WITH THE GROUP THAT IN A SEPARATE
5 LETTER TO CIRM INDICATING THAT THEY HAD CONCENTRATED
6 THE GRANT REQUEST ON THE TWO MAIN LABORATORY SPACES.

7 THE FACT IS THAT THERE'S AN ADDITIONAL FIVE
8 OR 600 SQUARE FEET OF SERVICE ROOMS THAT ARE UNTOUCHED
9 AND, THEREFORE, NOT INCLUDED WITHIN THE SQUARE FOOTAGE
10 THAT YOU WOULD LOOK AT IN TERMS OF THE AMOUNT OF SPACE
11 UNDER CONSTRUCTION. THE FACT THAT THIS ADDITIONAL
12 SPACE REPRESENTS 25 TO 30 PERCENT ADDITIONAL SPACE
13 WHERE THERE'S ACTUALLY NO CONSTRUCTION GOING ON, BUT
14 WILL HAVE CIRM EQUIPMENT AND BE FUNCTIONING AS PART OF
15 THE SHARED LAB WOULD SIGNIFICANTLY MITIGATE THE COST
16 PER SQUARE FOOTAGE.

17 MR. ROTH: I FIND THIS TO BE PARTICULARLY
18 DIFFICULT BECAUSE, ONE, BOTH GROUPS DID THEIR HOMEWORK,
19 AND OBVIOUSLY THERE'S SOME THINGS YOU'D LIKE TO SEE
20 IMPROVED IN THE FACILITIES SIDE HERE. BUT I'M SORT OF
21 TORN BECAUSE WITHOUT PEOPLE, BUILDINGS AREN'T MUCH.
22 AND IT SOUNDS LIKE THEY GOT THE PEOPLE, AND I'M VERY
23 CONCERNED THAT IF WE DON'T HELP THEM HERE, THEY'RE NOT
24 GOING TO BE ABLE TO BUILD ON THAT CORE. I GUESS I'D BE
25 INCLINED, ESPECIALLY WITH THAT LAST COMMENT, TO SUPPORT

1 THIS.

2 MR. KELLER: THAT WAS ADDITIONAL INFORMATION
3 THAT WAS NOT AVAILABLE TO THE FACILITIES WORKING GROUP
4 THAT WAS PROVIDED IN A SEPARATE LETTER RECEIVED A
5 COUPLE OF DAYS AGO. AND I BELIEVE THAT THEY WERE
6 INTENDING TO BE HERE FOR ANY OPPORTUNITY FOR
7 CLARIFICATION OR PUBLIC TESTIMONY IF YOU HAD QUESTIONS
8 ON THIS APPLICATION. OF COURSE, THEY WERE THINKING IT
9 WOULD BE DISCUSSED TOMORROW MORNING.

10 CHAIRMAN KLEIN: AND WE HOPE WE WILL REMEMBER
11 THESE SHARED LABS ARE TO PROVIDE ACCESS TO SPECIAL
12 AREAS OF EXPERTISE, WHICH THIS INSTITUTION SHOWS AS IS
13 EVIDENCED BY ITS SCIENTIFIC SCORE. IF WE HAVE AN
14 OPPORTUNITY AT A RELATIVELY LOW COST TO PROVIDE THAT
15 EXPERTISE IN A SHARED LAB OPPORTUNITY, THIS IS THE
16 OPPORTUNITY. IT'S A RELATIVELY LOW COST WAY TO EXPAND
17 CAPACITY AND ACCESS TO SPECIALIZED KNOWLEDGE.

18 DR. WRIGHT: THAT'S WHERE I WAS HEADED, BOB.
19 I THINK THAT THE SAME FACTORS THAT CREATE THE HIGHER
20 COST, THOSE BEING ISOLATION, AS JEFF'S POINTED OUT,
21 ACTUALLY IS A GREAT ARGUMENT FOR PLANTING STEM CELL
22 RESEARCH IN THAT ISOLATED SPOT. WE HAVE A NEW
23 SATELLITE, IF YOU WILL. SO I'M IN FAVOR OF FUNDING
24 THEM.

25 CHAIRMAN KLEIN: IS THAT A MOTION, DR.

1 WRIGHT?

2 DR. WRIGHT: THAT IS.

3 MR. ROTH: SECOND.

4 MS. KING: CHAIRMAN KLEIN, WE ALREADY HAVE A

5 MOTION ON THE TABLE. THERE WAS A SEPARATE MOTION ON

6 THE TABLE THAT WAS MADE BY JEFF SHEEHY.

7 CHAIRMAN KLEIN: THAT'S RIGHT. YOU DON'T

8 HAVE A CONFLICT HERE. THAT'S RIGHT. OKAY. THANK YOU.

9 WE'RE OVERRUNNING WITH ENTHUSIASM HERE. SO

10 AT THIS POINT, IF WE DON'T HAVE ANY MORE MEMBERS'

11 COMMENTS, AND GIVEN A TIME SCHEDULE WHERE WE'RE TRYING

12 TO MOVE INTO ANOTHER PART OF OUR SESSION, I'D ASK IS

13 THERE ANY PUBLIC COMMENT ON THIS PARTICULAR ITEM?

14 SEEING NO PUBLIC COMMENT, I'D LIKE YOU TO CALL THE

15 ROLL, PLEASE.

16 MS. KING: THIS IS ON JEFF SHEEHY'S MOTION TO

17 MOVE APPLICATION 521 INTO TIER 1.

18 DAVID BALTIMORE.

19 DR. BALTIMORE: YES.

20 MS. KING: ROBERT PRICE.

21 DR. PRICE: YES.

22 MS. KING: DAVID BRENNER.

23 DR. BRENNER: YES.

24 MS. KING: SUE DUCKLES.

25 DR. DUCKLES: YES.

1 MS. KING: BRIAN HENDERSON.
2 DR. HENDERSON: YES.
3 MS. KING: BOB KLEIN.
4 CHAIRMAN KLEIN: YES.
5 MS. KING: SHERRY LANSING.
6 MS. LANSING: I'M RECUSED, RIGHT?
7 MS. KING: LEONARD ROME.
8 DR. ROME: YES.
9 MS. KING: ED PENHOET.
10 DR. PENHOET: YES.
11 MS. KING: CLAIRE POMEROY.
12 DR. POMEROY: YES.
13 MS. KING: FRANCISCO PRIETO.
14 DR. PRIETO: YES.
15 MS. KING: DUANE ROTH.
16 MR. ROTH: YES.
17 MS. KING: JEFF SHEEHY.
18 MR. SHEEHY: YES.
19 MS. KING: OSWALD STEWARD.
20 DR. STEWARD: YES.
21 MS. KING: JANET WRIGHT.
22 DR. WRIGHT: YES.
23 CHAIRMAN KLEIN: ALL RIGHT. THANK YOU. I
24 THINK THIS ITEM ON A PRELIMINARY HAS PASSED. ALL
25 RIGHT.

1 AT THIS POINT WE HAVE A TIME CONSIDERATION
2 BECAUSE WE NEED TO MOVE INTO A CLOSED SESSION. WE HAVE
3 THE OPTION BY STATUTE TO CONSIDER CERTAIN CONFIDENTIAL
4 MATTERS AS MANDATED BY SECTION 125290.30(D)(3)(B) AND
5 (C) OF PROPOSITION 71.

6 WE WILL RECONVENE TONIGHT ONLY FOR PURPOSES
7 OF ANNOUNCING WHETHER WE TAKE ANY ACTIONS; IS THAT
8 CORRECT?

9 MS. KING: ACTUALLY WE WILL DO THAT TOMORROW
10 MORNING.

11 CHAIRMAN KLEIN: OKAY. SO WE WILL BE
12 RECONVENING TOMORROW MORNING FOR THE OPEN SESSION AND
13 REPORT ANY ACTIONS TAKEN TONIGHT. BUT WE WILL
14 IMMEDIATELY GO INTO CLOSED SESSION. AND WHO WE WILL
15 FOLLOW TO GO INTO CLOSED SESSION?

16 MS. KING: BEFORE CLOSED SESSION, LUCKILY FOR
17 ALL OF YOU, YOU GET TO HAVE DINNER. SO IF YOU WOULD
18 FOLLOW ME TO THE PATIO WHERE YOU WILL BE DINING, THE
19 SAME PLACE YOU DID LAST YEAR WHEN WE WERE HERE. IF YOU
20 COULD BRING WITH YOU YOUR BINDERS FOR THE SHARED LABS,
21 AND HOPEFULLY YOU HAVE YOUR BINDER WITH YOU FOR THE
22 PRESIDENTIAL SEARCH AS WELL. EXCELLENT. PLEASE BRING
23 THOSE WITH YOU. WE'LL COLLECT EVERYTHING ELSE, BUT
24 PLEASE BRING YOUR BINDERS. YOU CAN LEAVE YOUR SHEETS
25 THAT YOU NEEDED TO SIGN AT YOUR SEAT, AND I WILL

1 COLLECT THOSE.

2 (THE BOARD THEN WENT INTO CLOSED SESSION

3 AT 6:42 P.M., NOT REPORTED, NOR HEREIN TRANSCRIBED.)

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REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE PROCEEDINGS BEFORE THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING HELD AT THE LOCATION INDICATED BELOW

LUXE HOTEL SUNSET BOULEVARD
11461 SUNSET BOULEVARD
LOS ANGELES, CALIFORNIA
ON
MONDAY, JUNE 4, 2007

WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

BETH C. DRAIN, CSR 7152
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